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**GOFLEX LIMITED**  
CIN: U24100PB1994PLC014363

REGISTERED OFFICE		CONTACT PERSON		
B-XX- 3369, FIFTH FLOOR, GURDEV NAGAR, FEROPUR ROAD, LUDHIANA, PUNJAB, INDIA, 141001		Ms. Sangeeta Company Secretary and Compliance Officer		
EMAIL	TELEPHONE	WEBSITE		
<a href="mailto:info@goflexltd.com">info@goflexltd.com</a>	+91-7696302704	<a href="http://www.goflexltd.com">www.goflexltd.com</a>		
OUR PROMOTERS				
VISHAL SHARMA AND ZETA APNOMICS PRIVATE LIMITED				
DETAILS OF OFFER TO PUBLIC				
TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION among NII & RII
Fresh Issue	Up to 22,78,400 Equity Shares aggregating up to ₹ [●] Lakhs	Nil	Up to ₹ [●] Lakhs	The Issue is being made pursuant to Regulation 229(1) and 253(1) of Chapter IX SEBI (ICDR) Regulations 2018. For details of Share reservation among QIBs, NIIs and RIIs, see "Issue Structure" beginning on page 226.
DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THIS IS A FRESH ISSUE OF EQUITY SHARES				
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. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 83 of this Draft Red Herring prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL 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 the 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 issued 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 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 of our Company offered through this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from National Stock Exchange of India Limited for using its name in the Prospectus for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.				
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE		
NAME & ADDRESS, CONTACT PERSON, EMAIL & WEBSITE		NAME & ADDRESS, CONTACT PERSON, EMAIL & WEBSITE		
 <p><b>Fastrack Finsec</b> Category-I Merchant Banker</p> <p><b>FAST TRACK FINSEC PRIVATE LIMITED</b> Registered Office: Office No. V-116, 1st Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001 SEBI registration number: INM000012500 CIN: U65191DL2010PTC200381 Contact Person: Ms. Shree Khurana/Mr. Vikas Kumar Verma Email: <a href="mailto:vikasverma@ftfinsec.com">vikasverma@ftfinsec.com</a>; <a href="mailto:investor@ftfinsec.com">investor@ftfinsec.com</a> Telephone: +91-11-43029809 Website: <a href="http://www.ftfinsec.com">www.ftfinsec.com</a></p>		 <p><b>SKYLINE FINANCIAL SERVICES PVT LTD</b> Mr. Anuj Rana Email: - <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> Tel No: 011- 40450193-97 website: <a href="http://www.skylinerta.com">www.skylinerta.com</a></p>		
BID/ISSUE PERIOD				
ANCHOR PORTION OPENS / CLOSES ON:		[●]		
BID/ISSUE OPENS ON		[●]		
BID/ISSUE CLOSE ON		[●]		

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

\*\* Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.



## GOFLEX LIMITED

Our Company was originally incorporated as a Public Limited Company namely “R. Jain Capital Services Limited” under the Companies Act, 1956 vide certificate of incorporation dated March 24th, 1994 issued by Registrar of Companies, Punjab, H.P. and Chandigarh bearing registration no. 014363. Our company was converted into Private Limited company, subsequently to which Company’s name was changed to “Diwakshi Enterprises Private Limited”. Later on, Our Company’s name was changed from “Diwakshi Enterprises Private Limited” to “V S Yarns Private limited” and fresh Certificate of Incorporation dated 16th March, 2004 was issued. Our Company’s name was changed from “V.S Yarns Private Limited” to “Goflex Private Limited” and fresh Certificate of Incorporation dated 11th October, 2023 was issued by Registrar of Companies, Chandigarh. Subsequently our Company was converted into Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on October 13<sup>th</sup>, 2023. A fresh Certificate of Incorporation consequent to conversion was issued on November 10<sup>th</sup>, 2023 by the Registrar of Companies, Chandigarh and consequently the name of our Company was changed from “Goflex Private Limited” to “Goflex Limited”. For further details, please refer to chapter titled “History and Corporate Structure” beginning from Page No. 128 of this Draft Red Herring Prospectus.

**Registered office:** B-XX- 3369, Fifth Floor, Gurdev Nagar, Ferozepur Road, Ludhiana, Punjab, India, 141001

**Tel:** +91-9909446110 ; **E-mail:** [info@goflexltd.com](mailto:info@goflexltd.com) **Website:** [www.goflexltd.com](http://www.goflexltd.com)

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

### PROMOTER OF THE COMPANY: VISHAL SHARMA AND ZETA APPNOMICS PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UPTO 22,78,400 EQUITY SHARES OF RS. 10/- EACH (“EQUITY SHARES”) OF GOFLEX LIMITED (“GOFLEX” OR THE “COMPANY”) FOR CASH AT A PRICE OF RS. [•]/- PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING TO RS. [•] LAKHS (“THE OFFER”), COMPRISING A FRESH ISSUE OF UP TO 22,78,400 EQUITY SHARES AGGREGATING TO RS. [•] LAKHS BY OUR COMPANY (“FRESH ISSUE”). OUT OF THE OFFER, [•] EQUITY SHARES AGGREGATING TO RS. [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF [•] EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH AT AN ISSUE PRICE OF RS. [•]/- PER EQUITY SHARE AGGREGATING TO RS. [•] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE [•] % AND [•] %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE OF RS. [•] IS [•] ([•]) TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”) provided that our Company and the Selling Shareholder in consultation with the BRLMs may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see “Issue Procedure” on page 231 of this Draft Red Herring Prospectus

**All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility process including through UPI mode (as applicable) for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated [•]. For further details, please refer to section titled “Issue Procedure” beginning on page 231 of this Draft Red Herring Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15 % per annum for the period of delay.**

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10/- each and the Issue Price is [•] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 83 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 28 of this Draft Red Herring Prospectus.

### ISSUER’S ABSOLUTE RESPONSIBILITY



The Issuer, 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 the 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 makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of NSE (“NSE EMERGE”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received In-Principle Approval letter dated [•] from NSE for using its name in this offer document for listing of our shares on the SME platform of NSE. For the purpose of 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

NAME & ADDRESS, CONTACT PERSON, EMAIL & WEBSITE	NAME & ADDRESS, CONTACT PERSON, EMAIL & WEBSITE
 <p><b>Fastrack Finsec</b> Category-I Merchant Banker</p> <p><b>FAST TRACK FINSEC PRIVATE LIMITED</b>  <b>Registered Office:</b> Office No. V-116, 1st Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001  <b>SEBI registration number:</b> INM000012500  <b>CIN:</b> U65191DL2010PTC200381  <b>Contact Person:</b> Ms. Shree Khurana/Mr. Vikas Kumar Verma  <b>Email:</b> <a href="mailto:yikasverma@ffinsec.com">yikasverma@ffinsec.com</a>; <a href="mailto:investor@ffinsec.com">investor@ffinsec.com</a>  <b>Telephone:</b> +91-11-43029809  <b>Website:</b> <a href="http://www.ffinsec.com">www.ffinsec.com</a></p>	 <p><b>SKYLINE FINANCIAL SERVICES PVT LTD</b></p> <p>Mr. Anuj Rana  <b>Email:</b> - <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a>  <b>Tel No:</b> 011- 40450193-97  <b>website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a></p>
BID/ISSUE PERIOD	
ANCHOR PORTION OPENS/ CLOSES ON:	●
BID/ISSUE OPENS ON	●
BID/ISSUE CLOSE ON	●

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

*\*\* Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.*

**THIS PAGE HAS BEEN LEFT BLANK PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**



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## SECTION I – DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Further, the Offer-related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail. Notwithstanding the foregoing, terms in “Industry Overview”, Key Regulations and Policies”, “Statement of Special Tax Benefits”, “Financial Information”, “Basis of Offer Price”, “Outstanding Litigation and Other Material Developments”, “Restriction on Foreign Ownership of Indian Securities” and “Main Provision Of Articles of Association”, on pages 92, 119, 89, 155, 83, 199, 267 and 270, respectively, will have the meaning ascribed to such terms in those respective sections.*

### General Terms

Term	Description
“Goflex”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Goflex Limited, a public limited company, registered under the Companies Act, 1956 and having its registered office at B-XX- 3369, Fifth Floor, Gurdev Nagar, Ferozepur Road, Ludhiana, Punjab, India-141001
Our Promoters	Mr. Vishal Sharma and Zeta Appnomics Private Limited.
Promoters Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “Our Promoters” and “Our Promoters Group” on page no. 147 and 151.

### Company related terms

Term	Description
AOA/ Articles/ Articles of Association	Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee of our Board as described in the chapter titled “ <b>Our Management</b> ” beginning on page no. 133 of this Draft Red Herring Prospectus
Auditors / Statutory Auditors	The Statutory Auditors of our Company are M/s. K R Aggarwal & Associates, Chartered Accountants having office at 549/10 1 <sup>st</sup> Floor Sutlej Tower, Near Fountain Chowk Opp. Petrol Pump, Cemetery Road Ludhiana (Punjab) -141001
Bankers to our Company	[●]
Board of Directors/ the Board/ our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page no. 133 of this Draft Red Herring Prospectus
Chief Financial Officer/	The Chief Financial Officer of our Company, being <b>Mr. Vishal Sharma</b>



CFO	
CIN	Corporate Identification Number being U24100PB1994PLC014363.
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act, 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company, being <b>Ms. Sangeeta</b>
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time, being National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified. For details of our directors, see <b>“Our Management”</b> on page no. 133 of this Draft Red Herring Prospectus.
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996.
DP ID	Depository’s Participant’s Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of face value of ₹ 10/- each unless otherwise specified in the context thereof.
Executive Director/ ED	Executive Directors of our Company, which includes our Managing Director
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Group Companies	Companies with which there have been related party transactions, during the last three financial years and the period ended February 29, 2024, as covered under the applicable accounting standards and other companies as considered material by the Board in accordance with the materiality policy adopted by the Board of Directors in their meeting held on May 25, 2024.
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details, see section titled <b>“Our Management”</b> on page no. 133 of this Draft Red Herring Prospectus.
Ind AS or Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number.
IT Act	The Income Tax Act, 1961 as amended till date.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page no. 133



	of this Draft Red Herring Prospectus.
MOA/Memorandum/ Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
MD or Managing Director	The Managing Director of our Company being Mr. Vishal Sharma
Materiality Policy	The policy adopted by our Board on May 25, 2024 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled “ <b>Our Management</b> ” beginning on page no. 133 of this Draft Red Herring Prospectus.
Non-Executive Director	The non-executive directors (other than the Independent Directors) of our Company in terms of the Companies Act, and the rules thereunder. For details, see section titled “ <b>Our Management</b> ” on page no. 133 of this Draft Red Herring Prospectus.
NRI/ Non-Resident Indians	Person of Indian origin as defined under Consolidated Foreign Direct Investment Policy, 2020
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership, Limited Liability Company, Joint Venture, or Trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Peer Review Auditor	The Independent Peer Reviewed Auditor of our Company M/s. K R Aggarwal & Associates, Chartered Accountants.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at B-XX- 3369, Fifth Floor, Gurdev Nagar, Ferozepur Road, Ludhiana, Punjab, India, 141001
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act, 1934.
Restated Financial Information	The Restated Financial statements of our Company comprising of the Restated Statement of Assets and Liabilities as at March 31, 2021, March 31, 2022 and March 31, 2023, and the period ending on February 29, 2024 and the Restated Statements of Profit and Loss and Cash Flows for the period ended March 31, 2021, March 31, 2022 and March 31, 2023, and the period ending on February 29, 2024 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Registrar of Companies, Chandigarh





Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing obligations and disclosure requirements) regulations 2015 as described in the chapter titled " <b><i>Our Management</i></b> " beginning on page no. 133 of this Draft Red Herring Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, NSE Emerge
Shareholders	Shareholders of our Company from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Rakesh Jain, Usha Jain, Naveen Kumar Jain, Bipla Jain, Vinod Jain, Ajay Kumar, Romel Singh Thakur.

### Issue related terms

Terms	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	A successful bidder to whom the Equity Shares are allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid / Issue Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Portion	Upto 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual



	Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad
ASBA Bid	A Bid made by ASBA Bidder
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investor
ASBA Form/ Bid cum Application	An application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus or the Prospectus.
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the issue and which is described under the chapter titled “Issue Procedure” on page no. 231 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.



Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder/ Applicant	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding	The process of making a Bid.
Bidding/ Collection Centres	Centres at which the Designated intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centres for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book Building Process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue in this case being Fast Track Finsec Private Limited, SEBI Registered Category I Merchant Banker.
Broker Centres	Broker Centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Saturday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account



Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agent	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicant's father/husband, investor status, Occupation and Bank Account details.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e., <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer.
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE SME Platform. In our case, [●] is the sole Market Marker.
Designated RTA Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e., <a href="http://www.nseindia.com">www.nseindia.com</a> .
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	NSE ("SME Exchange") ("NSE Emerge")
DP ID	Depository Participant's Identity Number



Draft Red Herring Prospectus	Draft Red Herring Prospectus dated August 26, 2024, filed with NSE Emerge.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit, or RTGS as applicable.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
First Bidder/ Applicant/ Bidders	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the provision of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 2019, as amended
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers.
GIR Number	General Index Registry Number
Issue Agreement	The Issue Agreement dated [●] between our Company and Book Running Lead Manager, Fast Track Finsec Private Limited.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being ₹ [●] per Equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “Objects of the Issue” beginning on page 77 of this Draft Red Herring Prospectus.
Issue/ Public Issue/ Issue size/ Initial Public Issue/ Initial Public Offering/ IPO	The Initial Public Issue of upto 22,78,400 Equity shares of ₹ 10/- each at issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs



Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker	The Market Maker to the Issue, in this case being [●].
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [.] equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the “Issue Price”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue Expenses, please refer to the section titled “Objects of the Issue” beginning on page 77 of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Institutional Bidders	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non- Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the



	closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information.
Public Issue Account Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors).
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●].
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids
Registrar Agreement	The agreement dated [●] entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar



	to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Skyline Financial Services Private Limited.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid Cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital Fund) Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Act/ SEBI	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015 / SEBI Takeover Regulations or SEBI (SAST) Regulations	The Securities and Exchange Board of India (Listing Obligation and Disclosure Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
SME Exchange	SME Platform of the NSE i.e. “NSE Emerge”





Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Specified Securities	Equity shares offered through this Draft Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members.
Syndicate ASBA Bidding Locations	Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●].
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	The Fast Track Finsec Private Limited who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, (Repeal) 2021, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] entered between the Underwriter, BRLM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with (i) the circulars issued by the National Stock Exchange of India Limited having reference no. 23/2022 dated July 22, 2022 and reference no. 25/2022 dated August 3, 2022; and (ii) the circulars issued by BSE having reference no. 20220722-30 dated July 22, 2022 and reference no. 20220803-40 dated August 3, 2022; and any subsequent circulars or



	notifications issued by SEBI, BSE or National Stock Exchange of India Limited in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Venture Capital Fund/ VCF	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

### Technical/Industry Related Terms

Term	Description
AE	Advance Estimates
APMC	The Agriculture Produce Market Committee
CGST	Central Goods and Services Tax
DGFT	The Directorate General of Foreign Trade
FDI	Foreign Direct Investment
FIEO	The Federation of Indian Export Organisations
GDP	Gross Domestic Product
GST	Goods and Service Tax
GVA	Gross Value Added
IGST	Integrated Goods and Services Tax Integrated GST
J & K	Jammu & Kashmir
MAT	Minimum Alternate Tax
MR	Market Research
MT	Metric Ton
PM	Prime Minister

### Conventional and General Terms/ Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or	Indian Rupee



“INR”	
“Consolidated FDI Policy” or “FDI Policy”	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification issued by DPIIT, effective from October 15, 2020
“Financial Year” or “Fiscal Year” or “FY”	Period of 12 months ending March 31 of that particular year
“OCBs” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AO	Assessing Officer
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BG	Bank Guarantee
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
CS	Company Secretary
CSR	Corporate Social Responsibility
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time



DIN	Director's identification number
DP/ Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's Identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
ECB	External Commercial Borrowings
ECB Master Directions	Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the RBI
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
ESI Act	Employees' State Insurance Act, 1948
EGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there- under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIR	First information report
FPIs	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
Gov/ Government/Gol	Government of India
GST	Goods and Services Tax
GSM	Grams per Square Meter
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standard
IFSC	Indian Financial System Code
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India



Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs. / Rupees	Indian Rupees, the legal currency of the Republic of India
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended from time to time
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MSME	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
Net Worth	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO	Non- resident ordinary
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002



SAT	Security appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
Trademarks Act	Trademarks Act, 1999, as amended
TIN	Taxpayer Identification Number
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America



US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
VAT	Value Added Tax
VCFs	<p>Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.</p> <p>In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.</p>
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

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

### **Certain Conventions**

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

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

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

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information*” on Page No. 155 of this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Information of our Company, which comprises the Restated Statement of Assets and Liabilities of our Company as at February 29 2024, March 31, 2023, March 31, 2022 and March 31, 2021, the related Restated Statement of Profit & Loss and the Restated Cash Flow Statement for the period ended February 29 2024, March 31, 2023, March 31, 2022 and March 31, 2021, along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on Page Nos. 28, 105 and 187 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on Page Nos. 28, 92 and 105 respectively, this Draft Red Herring Prospectus.

### **Currency and Units of Presentation**

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America.





Our Company has presented all numerical information in its Draft Red Herring Prospectus in “lacs” units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1,00,000 and one million represents 10,00,000.

### **Exchange rates**

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

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

Currency	Exchange rate as on (in ₹)			
	February 29, 2024	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	82.93	82.93	75.91	73.53

(Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in) )

### **Industry and Market Data**

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Red Herring Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our Company’s business is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “Basis for Issue Price” on Page No. 83 of this Draft Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on Page No. 28 of this Draft Red Herring Prospectus.

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## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical facts and may be described as “forward -looking statements” The Company has included statements in this Draft Red Herring Prospectus which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled “*Risk Factors*”; “*Industry Overview*”; “*Our Business*”; and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”; beginning on page no. 28, 92, 105 and 187, respectively, of this Draft Red Herring Prospectus.

The forward-looking statements contained in this Draft Red Herring Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

- Any variation in schemes launched by Government of India to boost would have an adverse impact on our results of operations and financial condition and cash flows;
- Our ability to compete effectively.
- Inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers’ demands could render our existing products
- obsolete technology may adversely affect our business;
- our inability to achieve desired results from the objects for which funds are raised
- negative cash flows in the future.
- failure to grow or expand within our industry.
- our ability to manage our working capital cycles and generate sufficient cash flow to satisfy any additional working capital requirements;
- our inability to maintain quality standards in our services;
- our inability to successfully implement strategy, growth and expansion plans;
- our ability to attract and retain qualified personnel;
- any adverse outcome in the legal proceedings in which we and our promoters are involved;
- conflict of Interest with affiliated companies, the promoter group & holding Company and other related parties;
- market fluctuations and industry dynamics beyond our control;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities; and



By their nature, certain market risk disclosures are only estimates and could be materially different from what Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although, the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, our Directors, our Promoters, the Selling Shareholder, the BRLMs, the Syndicate Members nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements under the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholder shall ensure (through our Company and the BRLMs) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by the Selling Shareholder in this Draft Red Herring Prospectus, the and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by the Selling Shareholder, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by the Selling Shareholder.

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## SECTION-II SUMMARY OF THE OFFER DOCUMENTS

### A. PRIMARY DETAL OF BUSINESS AND INDUSTRY

#### Summary of our Business

Our Company is engaged in the manufacturing, processing, spinning, knitting, weaving, dying, garmenting, importing, exporting, trading and otherwise dealing in all types and description of yarn, fibers, textiles, PVC laminated products, PVC Flex Sheets & Tarpaulins and their products in India or abroad.

Goflex is engaged in the business of flex banner fabrics. Our Company is a supplier of different qualities of flex banner fabric. We have entered into a Contract Manufacturing arrangement with a more than a decade-old manufacturing company viz. Jindal Specialty Textiles Limited was established in the state of Himachal Pradesh to manufacture Flex Banner Fabrics.

For more details, please refer chapter titled “OUR BUSINESS” beginning on page no 105 Of this Draft Red Herring Prospectus.

#### Summary of our Industry

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030, with exports expected to reach US\$100 billion. Global apparel market is expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030. India is the world’s second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4.6% share of the global trade in textiles and apparel. India is the world's 3rd largest exporter of Textiles and Apparel. The textiles and apparel industry contributes 2.3% to the country’s GDP, 13% to industrial production and 12% to exports.

For more details, please refer to Chapter titled “INDUSTRY OVERVIEW” on page no. 92 of this Draft Red Herring Prospectus

### B. OUR PROMOTERS

The Promoters of our Company are Mr. Vishal Sharma and Zeta Appnomics Private Limited. For detailed information on our Promoters and Promoters’ Group, please refer to Chapter titled “OUR PROMOTERS” AND “OUR PROMOTERS’ GROUP” on page nos. 147 and 151 of this Draft Red Herring Prospectus.

### C. OFFER SIZE

<b>Offer of Equity Shares<sup>(1)</sup></b>	22,78,400 Equity Shares, aggregating up to Rs. [●] lakhs
<b>The Offer Consists of :-</b>	
<b>Fresh Offer</b>	22,78,400 Equity Shares, aggregating up to Rs. [●] Lakhs
<b>Offer for Sale</b>	Not Applicable
<b>Of which</b>	
<b>Market Maker</b>	[●] Equity Shares of face value Rs. 10/- each at a price of Rs. [●]/- each aggregating to Rs. [●] Lakhs
<b>Net Issue (Fresh Issue – Market Maker)</b>	[●] Equity Shares of face value Rs. 10/- each at a price of Rs. [●]/- each aggregating to Rs. [●] Lakhs
<b>Out of net issue to public:</b>	
<b>Allocation to QIBs</b>	[●] Equity Shares of face value Rs. 10/- each at a price of Rs. [●]/- each aggregating to Rs. [●] Lakhs
<b>Allocation to retail individual investor</b>	[●] Equity Shares of face value Rs. 10/- each at a price of Rs. [●]/- each aggregating to Rs. [●] Lakhs
<b>Allocation to other than retail individual investor</b>	[●] Equity Shares of face value Rs. 10/- each at a price of Rs. [●]/- each aggregating to Rs. [●] Lakhs



<sup>(1)</sup> The Offer has been authorized by a resolution of our Board dated July 22, 2024 and a special resolution of our Shareholders dated July 24, 2024.

#### D. OBJECT OF THE OFFER

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

Particulars	Estimated Amount (₹ in Lakhs)
Gross Proceeds from the Issue	[●]
Less: Issue Related Expenses	[●]
<b>Net Proceeds</b>	[●]

#### Utilisation of Net proceeds

The Net proceeds are proposed to be used in the manner set out in the following table:

Particulars	Estimated Amount (₹ in Lakhs)
Working Capital Requirement	1500.00
General Corporate Purposes	[●]
<b>Net Proceeds</b>	[●]

For detailed information on the "Objects of the Issue", please refer to chapter titled "Objects of the Issue" on page no. 77 of this Draft Red Herring Prospectus.

#### E. AGGREGATE PRE-OFFER SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

The shareholding pattern of our Promoters and Promoters' Group before the Issue is as follows:

Sr. No.	Name of share holder	Pre-Offer*		Post-Offer	
		Shares Held	% Shares Held	Shares Held	%Shares Held
<b>Promoters</b>					
1.	Vishal Sharma	10,62,600	19.98	10,62,600	13.99
2.	Zeta Appnomics Private Limited	42,52,500	79.98	42,52,500	55.99
<b>Total - A</b>		<b>53,15,100</b>	<b>99.96</b>	<b>53,15,100</b>	<b>69.98</b>

\* Pre-offer shareholding as on date the date of this Draft Red Herring Prospectus.

For further details, refer chapter titled "Capital Structure" beginning on Page No. 64 of this Draft Red Herring Prospectus.

#### F. SUMMARY OF RESTATED FINANCIAL INFORMATION

(Rs. in Lakhs)

Sr. No.	Particulars	For the year ended on			
		February 29 <sup>th</sup> , 2024	March 31 <sup>st</sup> , 2023	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2022
1.	Share Capital	25.32	25.32	25.32	25.32
2.	Net worth	756.29	296.63	100.51	50.98
3.	Revenue from operations	24,334.60	29,918.26	16,978.67	9,536.26
4.	Profit After Tax	459.65	196.13	49.53	3.76
5.	Earnings Per Share – Basic	181.54	77.46	19.56	1.49
6.	Earnings Per Share – Diluted	181.54	77.46	19.56	1.49
7.	NAV per Equity Shares	298.69	117.15	39.69	20.13
8.	Total Borrowings (As per Restated Balance	680.49	525.09	605.92	161.03



	Sheet)				
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For further details, refer chapter titled “Financial Information” beginning on Page No. 155 of this Draft Red Herring Prospectus.

The company's share capital and net worth have been changed as on the date of the DRHP through Bonus issues of equity shares dated July 24, 2024.

#### G. Auditors’ Qualifications which have not been given effect in the restated financial statements.

Independent Auditor’s Report on Restated Standalone Financials Statements issued by K R Aggarwal & Associates, Chartered Accountant. The Restated Financial Statements do not contain any qualifications requiring adjustments by the Peer reviewed auditors.

#### H. SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

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

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Amount Involved (Rs in Lakhs)
Company	By	1	1	-	-	7.71
	Against	4	1	-	-	169.05
Promoter	By	-	-	-	-	-
	Against	1	-	-	-	85.00 <sup>#</sup>
Group Companies/Entities	By	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

<sup>#</sup> The promoter is one of the guarantors to a company Worldwide Mercantile Private Limited which has stotted the account through OTS for Rs 120 Lakhs and that company has already paid Rs 35 lakhs and has requested to make the balance payment of Rs 85 lakhs by 30.09.2024.

For detailed information on the “Outstanding Litigations”, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page no.199 of this Draft Red Herring Prospectus.

#### I. RISK FACTORS

For details relating to risk factors, please refer section titled “Risk Factors” beginning on page no. 28 of this Draft Red Herring Prospectus.

#### J. SUMMARY OF CONTINGENT LIABILITIES

There are the following Contingent Liabilities on the date of filling this Draft Red Herring Prospectus:

- A) The Company has received a demand under Section 143(1) of the Income Tax Act, 1961 amounting to Rs 2,33,730 for the AY. 2023-2024. The Company has taken the necessary actions and adjustments and has filed a rectification request, which is currently under process with the Income Tax Department. The final outcome of the rectification request is uncertain, and as such, this amount is disclosed as a contingent liability in the financial statements.
- B) The Company has received two demand orders under Section 143(1) of the Income Tax Act, 1961, amounting to ₹61,690 for AY 2010-2011 and ₹63,060 for AY 2011-2012. The Company has duly submitted its responses to both demands, and these matters are currently under review by the Income Tax Department. Given the pending resolution and the inherent uncertainty of the outcome, the total amount of ₹1,24,750 has been disclosed as a contingent liability in the financial statements.



For detailed information on the “Contingent Liabilities”, please refer under the chapter titled “Financial information” on page no.155 of this Draft Red Herring Prospectus.

## K. SUMMARY OF RELATED PARTY TRANSACTIONS

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

List of Related Parties as Per AS-18		
Particular	Names of related parties	Nature of Relationship
Directors and Key Management Personnel (KMP)	Mr. Vishal Sharma	Managing Director & CFO
	Ms. Sangeeta	Company Secretary
Enterprises in which KMP/Relatives of KMP can exercise significant influence		
Relative of Director	Mrs. Anju Sharma	Wife of MD Mr. Vishal Sharma

Transaction with Related Party		Period/Year ended (Amount in Lakhs)			
		February 29, 2024	March 31, 2023	March 31, 2022	March 31, 2021
<b>1.</b>	<b>Vishal Sharma</b>				
	Remuneration	16.50	18.00	11.84	-
	Loan from Director	21.30	-	-	-
<b>2.</b>	<b>Sangeeta</b>				
	Remuneration	2.75	2.00	-	-
<b>3.</b>	<b>Anju Sharma</b>				
	Remuneration	11.00	12.00	12.00	-

For details of Restated related party transaction, please refer chapter titled “Financial Information” beginning on page no. 155 of this Draft Red Herring Prospectus.

## L. FINANCING ARRANGEMENTS

The promoters, members of the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

## M. COST OF ACQUISITION & WEIGHTED AVERAGE COST

### (i) Weighted average price at which the Equity Shares were acquired by our Promoters 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.)
Vishal Sharma	10,62,600	0.00
Zeta Appnomics Private Limited	42,52,500	1.90

\* As Certified by M/s K R. Aggarwal & Associates, Chartered Accountants dated 30.07.2024.



**(ii) Average Cost of Acquisitions of Shares for Promoters:**

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.)
Vishal Sharma	10,62,600	0.24
Zeta Appnomics Private Limited	42,52,500	1.90

\* As Certified by M/s K R. Aggarwal & Associates, Chartered Accountants dated 30.07.2024.

**N. Pre-IPO Placement**

Our Company has not placed any Pre-IPO Placement.

**O. Issue of share for consideration other than cash**

Except as set out below, we have not issued Equity Shares for consideration other than cash in the last one year.

Date of Allotment	No. of Equity Shares	Face Value	Nature of Consideration	Reason for Allotment	Name of the Allottees	No. of Shares Allotted
24.07.2024	50,64,000	10	Nil	Bonus Issue of the Equity in the ratio of 20:1	Mr. Vishal Sharma	10,12,000
					Mr. Kanik Sharma	300
					Mr. Atul Sharma	300
					Mr. Avinash Kumar	300
					Mrs. Riya Sethi	400
					Ms. Sangeeta	400
					Mrs. Sayesha Jain	300
					Zeta Appnomics Pvt Ltd	40,50,000

**P. Split / Consolidation**

No Split or Consolidation happened during the last one year.

**Q. Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking an exemption from complying with any provisions of securities laws by SEBI as on the date of this Draft Red Herring Prospectus.





## SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages no. 105 and 187, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Before making an investment decision, investors must rely on their own examination of the Issue and us.*

*This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

### **Materiality**

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

- *Some events may have material impact qualitatively & quantitatively;*
- *Some events may not be material individually but may be found material collectively; and*
- *Some events may not be material at present but may be having material impact in future.*

## INTERNAL RISK FACTORS

- 1. A significant portion of our revenue is generated by way of sales to distributors. Any material impact on the revenue from these distributors will impact our business, prospects, financial condition and results of operations significantly.**



A significant portion of our revenue comes from the sales of the products of the company. Currently our revenue is generated by our customers who are our Distributors. Below is our total revenue:

		(Rs in lakhs)
<b>Particulars</b>		
For the year ended 2021	Revenue contribution (₹ in lakhs)	9536.26
	% contribution in total revenue	100%
For the year ended 2022	Revenue contribution (₹ in lakhs)	16978.67
	% contribution in total revenue	100%
For the year ended 2023	Revenue contribution (₹ in lakhs)	29918.26
	% contribution in total revenue	100%
For the period ended February 29, 2024	Revenue contribution (₹ in lakhs)	24334.60
	% contribution in total revenue	100%

**2. We are significantly dependent on Jindal Specialty Textiles Limited for manufacturing of our products.**

The growth of our business and legacy has been, and is significantly dependent on our quality of our products. To provide the good quality products we are significantly dependant on the Jindal Specialty Textiles Limited for its manufacturing services. Company has not entered into formal agreement with Jindal Specialty Textiles Limited for manufacturing of the products. Any material changes into arrangement with Jindal Specialty Textiles Limited such as termination or breach of this arrangement may affect our manufacturing of products. Accordingly, if Jindal Specialty Textiles Limited is unable, or unwilling to be associated with us, our business and prospects could be severely impaired, and it would be difficult for us to find a suitable replacement. This could have an adverse impact on our future performance and results of operations.

**3. We require working capital for our smooth day-to-day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favourable terms may have an adverse effect on our operations, profitability and growth prospects.**

Our business operations are heavily dependent on the adequate and timely availability of working capital. Over the last three fiscal years, we have observed fluctuations in our working capital requirements due to variations in our operational scale, procurement cycles, and market conditions. Any discontinuance, delay, or inability to secure sufficient working capital, whether due to inadequate cash flows, delays in disbursement of arranged funds, or unfavorable borrowing terms, could adversely impact our ability to meet day-to-day operational needs. This, in turn, may hinder our operational efficiency, profitability, and growth prospects.

To date, we have successfully met our working capital requirements through internal accruals. As we plan to expand our business operations, the demand for working capital is expected to increase correspondingly. If we fail to maintain adequate cash flow, secure necessary credit facilities, or arrange for other sources of funding in a timely and favorable manner, our financial condition and operational results may be negatively impacted.

For more detailed information regarding our working capital requirements, please refer to the chapter titled “Objects of the Issue” beginning on page no. 77 of this Draft Red Herring Prospectus.



**4. A few of our properties including Registered Office of our Company, are not owned by us. In the event, we are unable to renew the lease/rent agreements, or if such agreements are terminated, we may suffer a disruption in our operations.**

Some of our business premises which include Registered Office of our Company, are taken on lease of varying tenures. These leases are renewable on mutually agreed terms. Upon termination of the lease, we are required to return the said business premises to the Lessor/Licensor, unless renewed. There can be no assurance that the term of the agreements will be renewed and in the event the Lessor/Licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we are required to vacate our offices, we may be required to identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability. The details of the lease/rent agreements are as follows:

Sr. No.	Particulars	Address	Nature of Ownership	Parties	Tenure	Consideration
1.	Registered Office	B-XX-3369, Fifth Floor, Gurdev Nagar, Ferozpur Road, Ludhiana, Punjab, India, 141001	Leased since 22.11.2023	Lease and License Agreement between Goflex Limited (Lessee), Mr. Harmanmeet Singh Sandhu and Mr. Sarabjit Singh Sandhu (Lessor).	From 22.11.2023 to 31.03.2031	Rent: Rs. 1,40,000 per month
2.	Warehouse	Upmahal Ram Nagar, VPO Thathal, Tehsil Amb, District Una, Himachal Pradesh (Factory Shed)	Leased since 09.08.2021	Rent Deed between M/s Himachal Textile Park Limited (Land Lord) and V S Yarns Private Limited (Tenant) (erstwhile name of Goflex Limited	Originally made for a period of 36 Months, i.e., from 01.08.2021 to 31.07.2024, and extended on for 11 Months, i.e. from 01.08.2024 to 30.06.2025	Rent Rs. 5000 per month
3.	Warehouse	Khasra 109, Near Octroi, G.T. Road,	Leased since 31.05.2024	Sub-lease Agreement between M/s	For a period of 11 Months,	Rent Rs. 11,000 per month



		Sahnewal, Ludhiana, Punjab-141116		JMBS India Express Cargo (Tenant) and Goflex Limited (Sub- Tenant)	i.e., from 01.06.2024 to 30.04.2024	
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For further details on properties taken on lease/rent by us please refer to the heading titled “Land and Properties” in chapter titled “Business Overview” beginning on page no. 118 of this Draft Red Herring Prospectus.

5. **Our top 10 customers contributed 82.95%, 75.61%, 73.83% and 81.15% of our total revenue from operations for the Stub period ended February 29, 2024, for the year ended March 31, 2023, for the year ended March 31, 2022 and for the year ended March 31, 2021. Any loss of business from one or more of them may adversely affect our revenues and profitability.**

The Company is primarily engaged in the manufacturing of PVC flex banners. Further, our company has a small customer base, our top 10 customers contributed 82.95%, 75.61%, 73.83% and 81.15% of our total revenue from operations for the stub period ended February 29, 2024, for the year ended March 31, 2023, for the year ended March 31, 2022 and for the year ended March 31, 2021. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. We believe we have maintained good and long- term relationships with our customers, however, there can be no assurance that we will continue to have such long-term relationship with them. Also, any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. Our business is accordingly significantly dependent on us maintaining good relationships with our customers. In the event if we fail to comply with the terms and conditions of our agreements or that these existing agreements are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations.

The following table sets forth revenue from our top one, top five and top ten in the years/ periods indicated:

**(Amount in Lakhs)**

<b>Customer</b>	<b>For the stub period ended February 29, 2024</b>	<b>For financial year ended March 31, 2023</b>	<b>For financial year ended March 31, 2022</b>	<b>For financial year ended March 31, 2021</b>
Top One	39.53%	29.58%	38.68%	35.55%
Top five	77.20%	67.49%	63.59%	70.41%
Top Ten	82.95%	75.61%	73.83%	81.15%



**6. Non-recipient of Trade Payables from our Distributors may affect our cash flows, which may, in turn affect our financial condition and results of operations.**

We sell products on credit basis to our distributors and our inability to recover those dues may lead to the low revenue generation in future. Therefore, our cash flows could be affected, which may, in turn, materially and adversely affect our financial condition and results of operations. We face competition from other similar companies who are working in same industry. If we are unable to compete effectively, our business and results of operations may be materially and adversely affected.

**7. Our present promoters of the Company are first generation entrepreneurs.**

Our present promoters are first generation entrepreneurs. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their knowledge and experience and we cannot assure that this will not affect our business growth.

**8. The average cost of acquisition of Equity Shares by our Promoter is lower than the issue price.**

Our Promoter average cost of acquisition of Equity Shares in our Company is lower than the Issue Price of the shares proposed to be offered through this Draft Red Herring Prospectus. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer to page no. 70 of this Draft Red Herring Prospectus.

**9. 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 Promoters have the experience of the Technical Textile Industry. We have not been subjected to the increased scrutiny of our affairs by shareholders, regulator and the public at large that is associated with being a listed 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.

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.

**10. We are involved in certain legal proceedings, which, if determined adversely, may affect our business and financial condition.**

As on the date of filing this Draft Red Herring Prospectus, there are outstanding legal proceedings initiated by or against our Company, Promoters, Directors, and Group Companies that are incidental to our business and operation. A summary of outstanding litigation proceedings involving our Company, our promoters, our directors, and our group companies as on the date of this Draft Red Herring Prospectus is provided below:



Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Amount Involved (Rs in Lakhs)
Company	By	1	1	-	-	7.71
	Against	4	1	-	-	169.05
Promoter	By	-	-	-	-	-
	Against	1	-	-	-	85.00 <sup>#</sup>
Group Companies/Entities	By	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

*# The promoter is one of the guarantors to a company worldwide mercantile private limited which has steted the account through OTS for Rs 120 Lakhs and that company has already paid Rs 35 lakhs and has requested to make the balance payment of Rs 85 lakhs by 30.09.2024.*

*For further details pertaining to outstanding litigations, kindly refer to the chapter titled “Outstanding Litigations and Material Developments” beginning on page no. 199 of this Draft Red Herring Prospectus.*

**11. We are unable to trace some of our historical records including forms filed with the Registrar of Companies**

Company unable to trace historical corporate records filed with the Registrar of Companies since incorporation to the Financial Year 2004-2005. Companies are not traceable in the historical records maintained by our Company, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. We have obtained a certificate dated May 02, 2024 from Amit Saxena & Associates, practicing company secretary in relation to such untraceable corporate records. Accordingly, we have relied on the other corporate records maintained by the Company. While no legal proceedings or regulatory action has been initiated against us in relation to the unavailable filings and statutory lapses as of the date of this Draft Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against us in the future in relation to the missing filings and corporate records. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation.

**12. We face competition from other unorganised manufacturers and traders of similar products. If we are unable to compete effectively, our business and results of operations may be materially and adversely affected.**

We compete with other traders and manufacturers of varying sizes in the same line of business with the ability to manufacture or trade different kinds of products, some or all of which we may or may not be able to produce or sell. Our ability to compete in a given market is driven significantly by the extent of quality and marketing capabilities of our competitors and the trading complexities involved. We are constantly required to evaluate and increase our competitive position in the markets we cater to, including meeting industry standards with regards to offering our distributors competitive rates for increasing sales of products of company. Some of our competitors may be more established and may have greater financial resources, personnel and other resources than us. Existing or new competitors may also price their services at a



significant discount to ours or offer greater convenience or better products than we provide. Our competitors may compete with us for agents and other fintech professionals.

**13. There have been instances in the past where the company has delayed in filing of certain statutory filings and corporate records with the RoC.**

There have been some instances of delays in filing some of our statutory forms with the RoC, which have subsequently been filed along with the payment of additional fees, as specified by the concerned RoC. Delayed filing with additional fees including but not limited to form INC 27 (with respect to filing of Conversion of Private Company into public company) MGT-14 (with respect to filing of resolutions), AOC-4 (with respect to filing of Financial Statements), MGT -7 (with respect to filing of Annual Return). We cannot assure you 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. We manage the regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliances with all relevant statutory and regulatory requirements. There can be no assurance that deficiencies in our filings will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control. Any inability on our part to adequately detect, rectify any deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks and to avoid frauds.

**14. Our Promoters and Promoter Group will be able to exercise significant influence and control over our operations after the issue and may have interests that are different from those of our other shareholders.**

As of the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group collectively hold 100% of our issued and outstanding equity share capital. Post the issue, our Promoters and Promoter Group will continue to hold approx. 70% of our issued and outstanding Equity Share capital. By virtue of their shareholding, our Promoters and Promoter Group will have the ability to exercise significant control and influence over our affairs and business, including the appointment of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger, amalgamation or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters and Promoter Group may be different from or conflict with the interests of our other shareholders and their influence may result in change of our management or in our control, even if such a transaction may not be beneficial to our other shareholders.

**15. Due to non-insurance coverage we cannot adequately protect us against potential risk, and this may have a material adverse effect on our business.**

We do not maintain insurance coverage for key risks relating to our business. While we believe that the amount of our insurance coverage is in line with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In addition, not all risks associated with our operations may be insurable, on commercially reasonable terms or at all. Although we believe that we have obtained insurance coverage customary to our business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected. Natural disasters in the future or occurrence of any other event for which we are not adequately or sufficiently insured may cause significant disruption to our operations that could have a material adverse impact on our business and operations. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows. If




we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption.


**16. Our Company has availed certain secured and unsecured long-term loan facility amounting to Rs. 680.49 Lakhs that may be recallable on demand by the lender at any point of time.**

As on February 29, 2024, our Company has availed loans amounting to Rs. 680.49 Lakhs secured and unsecured long-term loan facility that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.

For further details of unsecured loans of our Company, please refer the chapter titled “Financial Information” on page no. 155 of this Draft Red Herring Prospectus.

**17. Our logo  is not registered with the trademark registration authority, and we may be unable to protect our logo from being infringed by others which may adversely affect our business value, financial condition and results of operations.**

As on the date of this Draft Red Herring Prospectus, we have not yet obtained registration from the

Trademark Registration Authority for our logo  and hence we do not enjoy the statutory protection accorded to a registered trademark. We may remain vulnerable to infringement or passing-off by third parties, however, we will not be able to enforce any rights against them resulting to change our logo, which may adversely affect our reputation & business and could require us to incur additional costs. Although, we believe that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations. However, the Company has filed the application vide application no. 6511627 dated July 04, 2024 for the registration.

**18. We depend on third parties for certain services. Any disruption, deficiency in service or increase in cost of such services could adversely affect our business, reputation, results of operations, cash flows and financial condition.**

Our Company has majorly depended on the third-party suppliers for the services like contract manufacturing according to our requirements, purchase of raw material which forms the major part of our business. Although, we believe that we have maintained stable relationships with these suppliers, we cannot assure you that we would be able to source these services from alternative sources, at acceptable prices or at all. We expect we will continue to rely on such third-party providers as we expand our business. However, these third parties may undergo insolvency, file for bankruptcy, experience disruptions, provide lower quality service or increase the prices of their products or services for a number of reasons that are beyond





our control. As a result, we cannot be certain that we will continue to receive satisfactory services or products on acceptable terms or at all.

**19. Our Promoter, Directors and Key Managerial Personnel may have interest in our Company, other than reimbursement of expenses incurred, remuneration or other benefits received.**

Our Promoter, Directors and Key Managerial Personnel may be deemed to be interested to the extent of the Equity Shares held by them and benefits deriving from their shareholding in our Company. Our Promoters are interested in the transactions entered into between our company and themselves as well as between our company and our group entities. For further details, please refer to the chapters titled “*Our Business*”, “*Our Promoters*” and “*Promoter Group*”, beginning on page no. 105, 147, and 151 respectively, and the “*Note 27 - Related Party Transactions*” of restated financials under the chapter titled “*Restated Financial Statements*” on page no. 176 of this Draft Red Herring Prospectus.

**20. Our Company’s management will have flexibility in utilizing the net proceeds from the issue and the deployment of the net proceeds from the issue is not subject to any monitoring by any independent agency.**

Our Company intends to primarily use the net proceeds towards Working Capital Requirement, General Corporate purposes and for Issue Expenses as mentioned in “*Objects of the Issue*” on page no. 77 of this Draft Red Herring Prospectus. In terms of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the issue size is not in excess of ₹ 10,000 lakhs. The management of our company will have discretion to use the net proceeds from the issue, and investors will be relying on the judgment of our Company’s management regarding the application of the net proceeds from the issue. Our company may have to revise its management estimates from time to time and consequently its requirements may change.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the shareholders and our promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders of our company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the issue will need to rely upon our management’s judgment with respect to the use of net proceeds. If we are unable to enter into arrangements for utilization of net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the issue and our business and financial results may suffer.

**21. We have entered into and may continue to enter into related party transactions and there can be no assurance that such transactions have been on favourable terms.**

Our Company have entered into various transactions with our Directors/ Promoter and Promoter Group members in the Past years. These transactions, inter-alia include, remuneration, loans and advances, etc. For details, please refer to “*Note-27- Related Party Transactions*” under Section titled “*Financial Information of the Company*” of this Draft Red Herring Prospectus. Our Company has entered such transactions on arms-length price in compliance with provisions of Companies Act, 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions are not entered into with related parties. Furthermore, it is likely that



we may enter into related party transactions in the future, the same will be in compliance with the Companies Act 2013 & applicable Laws.

**22. We could be harmed by employee fraud, theft, negligence, misconduct or similar incidents or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.**

Employee fraud, theft, negligence, misconduct or similar incidents or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**23. Delay in making any Statutory payments viz. Tax Deducted at Source, Income Tax, Good and Service Tax, or any other Statutory dues which may attract any penalty or demand raised by statutory authorities in future will affect financial position of the Company.**

Our Company is engaged in a business, which attracts tax liability such as Goods and Service tax and Income tax and other Statutory taxes as per the applicable provisions of Law. We are also subject to the labour laws like depositing of Professional Tax. We have made delay in certain statutory payment and Filing of GST Returns in past years due to some beyond control reasons. Any demand or penalty imposed by the concerned authority in future for late payments or non-payments, both for any previous year and current year, will have an impact on the financial position of the Company. For instance, our company has previously experienced delayed filing of GST Returns due to operational reasons, leading to the payment of late fees and penalties. Any demands or penalties raised by the concerned GST authority for such late filings may affect the company's financial position."

**24. We may not be successful in implementing our business strategies.**

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

**25. The objects of the issue have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the net proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilization of the net proceeds or in the terms of the conditions as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.**

Our funding requirements and deployment of the net proceeds are based on internal management estimates and current market conditions and have not been appraised by any bank or financial institution or other independent agency. It is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. Furthermore, the deployment of the net proceeds is at our discretion. We operate in a highly competitive and dynamic industry and may need to revise our estimates from time to time based on changes in external circumstances or costs, or changes in other financial



conditions, business or strategy. We may not be able to obtain the shareholders' approval in a timely manner, or at all, in the event we need to make such changes. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

**26. We have not independently verified certain data in this Draft Red Herring Prospectus**

We have not independently verified data from the industry and related data contained in this Draft Red Herring Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled. Therefore, discussions of matters relating to India, its economy or the industry in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

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, we will incur significant legal, accounting, corporate governance, and other expenses that we did not incur as an unlisted company. We will be subject to the 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, we 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.

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

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements of our company. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.



**29. We face foreign exchange risks that could adversely affect our results of operations and cash flows.**

Our company also exports its goods, therefore we are exposed to foreign currency fluctuation risk. Although, we closely follow our exposure to foreign currencies by entering into forward contracts to hedge our exposure in an attempt to reduce the risks of currency fluctuations, our results of operations, cash flows and financial performance could be adversely affected in case these currencies fluctuate significantly. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. While we enter into hedging transactions to minimize our foreign currency exchange risks, there can be no assurance that such measures will enable us to manage our foreign currency risks which may adversely affect our results of operations.

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

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

**31. The trading volume and market price of the equity shares may be volatile following the issue.**

The market price of the equity shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- half yearly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties / governmental entities of significant claims/ proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in the price of oil or gas;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions



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

**32. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.**

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

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

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

**34. Delay in raising funds from the IPO could adversely impact the growth rate.**

The proposed use of issue proceeds, as detailed in the section titled "Objects of the Issue" on page no. 77 is to be partially and/or wholly funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule which may adversely impact the growth rate of our Company. We, therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**35. Changing laws, rules and regulations and legal uncertainties in India and other countries may adversely affect our business and financial performance.**

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("GST") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of



administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

**36. Financial instability in other countries may cause increased volatility in Indian and other financial markets.**

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the 64 securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition. The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have in the past experienced substantial dislocations, liquidity disruptions and market corrections.

**37. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risk.**

Effective internal controls are necessary for us to prepare reliable financial reports and effectively prevent and detect any frauds or misuse of funds. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may decline over time. There can be no assurance that additional deficiencies or lacks in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies or lacks in our internal controls. If internal control weaknesses are identified in a delayed manner, our actions may not be sufficient to correct such internal control weakness. Such instances may also adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition.

**38. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.**

Since the Issue size is less than Rs.10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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



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

**40. Sale of Equity Shares by our Promoters or other significant shareholder(s) or any future issue of Equity Shares may dilute your shareholding and adversely affect the trading price of the Equity Shares.**

Any future equity issues by us, including in a primary offering, or any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

#### **EXTERNAL RISK FACTORS**

**41. Any adverse revision to India's debt rating by a domestic or international rating agency could adversely affect our business.**

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

**42. QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.**

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six working days from the Bid/ Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

**43. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**



The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**44. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.**

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**45. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.**

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

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

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹ 1 lakh, realized on the sale of equity shares held for more than 12 months immediately preceding the date of transfer, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is





specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

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

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions specified by the RBI, then the prior approval of RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further details, please refer to section titled "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page no. 267 of this Draft Red Herring Prospectus.

**48. Outbreaks of contagious diseases, such as the recent outbreak of COVID-19, may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.**

India experienced multiple waves of COVID-19 which had impacted global supply chains and resulted in shortages of materials and components used in the manufacturing operations and an inability to meet the manufacturing targets and this impact continues till date. The COVID-19 pandemic had resulted in restrictions on travel and transportation and prolonged closures of workplaces, businesses and schools, with employees being asked to work from home and citizens being advised to stay at home. Consequently, there was a significant disruption in attendance at the manufacturing facilities.

There can be no assurance that any future outbreak of contagious diseases will not have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

**49. Interest rate fluctuations may adversely affect the Company's business.**



The Company may enter into certain borrowing arrangements to finance its capital requirements in the ordinary course of business in connection with potential acquisitions or for general working capital purposes. In the event interest rates increase, the Company's costs of borrowing will increase, and its profitability and results of operations may be adversely affected.

**50. Changes in the Government Policy could adversely affect economic conditions in India generally and our business in particular.**

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

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

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include STT, GST, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.

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

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

Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares. Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors and threshold limits, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("STT"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in India. The existing provisions of tax and any change in tax provisions may significantly impact your return on investments.

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



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

**54. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.**

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in India as well as other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

In addition to the above, our Company is incorporated in India and its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- a. the macroeconomic climate, including any increase in Indian interest rates or inflation;
- b. any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- c. any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- d. prevailing income conditions among Indian consumers and Indian corporations;
- e. epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID- 19 pandemic;
- f. volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- g. occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations;



- h. prevailing regional or global economic conditions, including in India's principal export markets;
- i. other significant regulatory or economic developments in or affecting India or its consumption sector;
- j. international business practices that may conflict with other customs or legal requirements
- k. to which we are subject, including anti-bribery and anti-corruption laws;
- l. protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- m. logistical and communications challenges;
- n. downgrading of India's sovereign debt rating by rating agencies;
- o. difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and,
- p. being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown due to these factors could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

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

Our Company is subject to various regulations and policies. For details see section titled "Key Industry Regulations and Policies" beginning on page no. 119 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**57. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.**

The Government of India may implement new laws or other regulations that could affect the industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. Please see "Statement of Tax Benefits" on page no. 89 of this Draft Red Herring Prospectus. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

**58. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to**



**attract foreign investors, which may adversely affect the trading price of the Equity Shares. Accordingly, our ability to raise foreign capital may be constrained.**

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Furthermore, under applicable foreign exchange regulations in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the permissible exceptions, then prior approval of the relevant regulatory authority is required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness.

Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Furthermore, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. We cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

**59. Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins, which may have a material adverse effect on our business, financial condition, cash flows and results of operations.**

Employee compensation in India has historically been significantly lower than employee compensation in the United States and Western Europe for comparably skilled professionals, which has been one of our competitive strengths. However, compensation increases in India may erode some of this competitive advantage and may negatively affect our profit margins. Employee compensation in India is increasing at a faster rate than in the United States and Western Europe, which could result in increased costs relating to scientists and engineers, managers and other mid-level professionals. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may have a material adverse effect on our business, financial condition, cash flows and results of operations.

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## SECTION IV - INTRODUCTION

### THE ISSUE

Particulars	Details of Number of Shares
Issue of Equity Shares by our Company	Up to 22,78,400 Equity Shares of face value Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakhs.
<b>Of which:</b>	
Issue Reserved for Market Makers	Up to [●] Equity Shares of face value Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakhs.
Net Issue to the Public	Up to [●] Equity Shares of face value Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakhs.
<b>Of which:</b>	
A. Qualified Institutional Buyer Portion**	Not more than [●] Equity Shares of face value Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakh, i.e. not more than 50% of the Net Issue shall be available for allocation for Qualified Institutional Buyer.
<b>Out of which:</b>	
❖ Anchor Investor Portion	Up to [●] Equity Shares aggregating up to Rs. [●] lakhs.
❖ Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares aggregating up to Rs. [●] lakhs.
<b>Out of which:</b>	
▪ Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating up to Rs. [●] lakhs.
▪ Balance of QIB Portion for all QIBs excluding Mutual Funds	Up to [●] Equity Shares aggregating up to Rs. [●] lakhs.
B. Retail Investors Portion**	Not less than [●] Equity Shares of face value Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakh, i.e. not less than 35% of the Net Issue shall be available for allocation for Retail Individual Investors.
C. Non-Retail Investors Portion**	Not less than [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakh, i.e. not less than 15% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.
<b>Pre-and Post-Issue Equity Shares:</b>	
Equity Shares outstanding prior to the Issue	53,17,200 Equity Shares of face value Rs.10/- each
Equity Shares outstanding after the Issue	75,95,600 Equity Shares of face value Rs.10/- each
Use of Proceeds	For further details please refer chapter titled “Objects of the Issue” beginning on page no. 77 of this Draft Red Herring Prospectus for information on use of Issue Proceeds

*\*\*As per the Regulation 253(1) of the SEBI (ICDR) Regulations, 2018, as amended, as present issue is a 100% book-build issue the allocation is the net offer to the public category shall be made as follows:*

- a) Minimum thirty-five percent to retail individual investors;
- b) Minimum fifteen percent to non-institutional investors; and



- c) *Maximum fifty percent to qualified institutional buyers five per cent. of which shall be allocated to mutual funds.*

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

*Provided further that in addition to five per cent. allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.*

*Subject to valid applications being received, under-subscription, if any, in the Retail and Non-Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the LM and the NSE.*

**Notes:**

*The Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on July 22, 2024 and by our Shareholders pursuant to a resolution passed at the EGM held on July 24, 2024. This Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section titled “Issue Structure” beginning on page no. 226 of this Draft Red Herring Prospectus.*

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## SUMMARY OF OUR FINANCIAL INFORMATION

### RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amt in Lakh)

Particulars	Note	For the period ended 29 February, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>Shareholders Funds</b>					
(a) Share Capital	1	25.32	25.32	25.32	25.32
(b) Reserves and Surplus	2	730.97	271.31	75.19	25.66
<b>Non-Current Liabilities</b>					
(a) Long-term borrowings	3	481.89	513.39	594.55	151.84
(b) Deferred Tax Liability (Net)	4	-	-		
<b>Current Liabilities</b>					
(a) Short Term Borrowings	5	198.60	11.71	11.37	9.19
(a) Trade payables	6	2,786.91	2,983.57	2,947.83	2,555.93
(b) Other current liabilities	7	306.77	835.60	218.66	567.69
(c) Short Term Provisions	8	227.01	55.84	30.59	11.32
<b>Total</b>		<b>4,757.47</b>	<b>4,696.74</b>	<b>3,903.51</b>	<b>3,346.95</b>
<b><u>ASSETS</u></b>					
<b>Non-current assets</b>					
(a) Property, Plant & Equipment					
Tangible assets	9	44.52	57.45	66.53	69.28
(b) Deferred Tax Assets (Net)	10	8.30	6.24	4.53	3.17
(c) Non current Investments	11	4.15	4.15	4.15	4.15
<b>Current assets</b>					
(a) Inventories	12	435.81	210.53	210.81	429.71
(b) Trade receivables	13	1,877.25	2,176.56	1,531.72	1,752.03
(c) Cash and cash equivalents	14	248.69	433.80	199.92	131.38
(d) Short-term loans and advances	15	2,138.74	1,808.01	1,885.85	957.23
<b>Total</b>		<b>4,757.47</b>	<b>4,696.74</b>	<b>3,903.51</b>	<b>3,346.95</b>





**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amt in Lakh)

Particulars	Note	For the period ended 29 February, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b><u>INCOME</u></b>					
Net Revenue from operations	16	24,334.60	29,918.26	16,978.67	9,536.26
Other Income	17	11.07	95.55	16.81	167.53
<b>Total Revenue</b>		<b>24,345.67</b>	<b>30,013.80</b>	<b>16,995.48</b>	<b>9,704</b>
<b><u>EXPENDITURE</u></b>					
Cost of materials consumed	18	-	-	-	4,667.91
Purchase of Stock in trade	19	23,294.29	28,741.93	15,963.92	4,450.20
Changes in inventories of work-in-progress and finished goods	20	-225.28	0.28	217.05	-235.40
Employee benefit expense	21	82.55	89.38	82.83	107.04
Financial costs	22	23.91	28.53	19.15	16.74
Depreciation	23	15.93	15.27	15.18	15.76
Other expenses	24	479.09	892.48	615.98	670.69
<b>Total Expenses</b>		<b>23,670.48</b>	<b>29,767.86</b>	<b>16,914.12</b>	<b>9,693</b>
<b>Profit/(Loss) before Exceptional Items &amp; Tax</b>		<b>675.19</b>	<b>245.94</b>	<b>81.36</b>	<b>10.84</b>
Less: Exceptional Items	25	0.10	5.14	10.05	3.82
<b>Profit/(Loss) before Tax</b>		<b>675.09</b>	<b>240.80</b>	<b>71.30</b>	<b>7.02</b>
Tax expense:					
Provision For Current tax		192.82	46.38	23.14	5.77
Deferred tax Liability/Assets		(2.07)	(1.71)	(1.36)	(2.51)
Earlier Year Tax Expense		24.68			
<b>Net Tax expense:</b>		<b>215.44</b>	<b>44.67</b>	<b>21.78</b>	<b>3.26</b>
<b>Profit/(Loss) for the year</b>		<b>459.65</b>	<b>196.13</b>	<b>49.53</b>	<b>3.76</b>
Earning per equity share:	26				
Basic and Diluted		<b>181.54</b>	<b>77.46</b>	<b>19.56</b>	<b>1.49</b>



## RESTATED CASH FLOW STATEMENT

(Amt in Lakh)

Particulars	FOR THE PERIOD ENDED 29/02/2024	FOR THE YEAR ENDED 31/03/2023	FOR THE YEAR ENDED 31/03/2022	FOR THE YEAR ENDED 31/03/2021
	Rs.	Rs.	Rs.	Rs.
<b>A Cash Flow from Operating Activities:</b>				
Net Profit before Tax	675.09	240.80	71.30	7.02
Adjustment for:				
Depreciation	15.93	15.27	15.18	15.76
Financial Costs	23.91	28.53	19.15	16.74
Loss on sale of fixed asset		-	-	
Interest Income	(8.28)	(0.35)	(0.68)	(0.11)
<b>Operating Profit before Working Capital Changes</b>	<b>706.65</b>	<b>284.25</b>	<b>104.96</b>	<b>39.41</b>
Adjustment for:				
Trade and Other Receivables	299.31	(644.84)	220.31	(80.08)
Inventories	(225.28)	0.28	218.90	(178.47)
Short Term Loans & Advances	(330.73)	77.84	(928.62)	(137.04)
Trade and Other Payables	(196.67)	60.99	389.72	69.78
Other current Liabilities	(357.65)	616.94	(327.58)	351.76
<b>Cash Generated from operations</b>	<b>(104.38)</b>	<b>395.45</b>	<b>(322.31)</b>	<b>65.36</b>
<b>Deffered Tax Assets/ Liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Income Taxes Provision	(192.82)	(46.38)	(23.14)	(5.77)
Earlier Year Tax Expense	(24.68)			
<b>Net Cash from Operating Activities</b>	<b>(321.88)</b>	<b>349.07</b>	<b>(345.45)</b>	<b>59.59</b>
<b>B Cash Flow from Investing Activities:</b>				
Purchase of Fixed Assets	(3.00)	(6.18)	(12.43)	-0.02
Sale of Fixed Assets		-	-	
Interest Income	8.28	0.35	0.68	0.11
<b>Net Cash from /(used in) Investing Activities</b>	<b>5.28</b>	<b>(5.84)</b>	<b>(11.75)</b>	<b>0.10</b>
<b>C Cash Flow from Financing Activities</b>				
Financial Costs	(23.91)	(28.53)	(19.15)	(16.74)
Movement of Working Capital Borrowings				
Movement of Long-Term Borrowings	(31.49)	(81.16)	442.71	57.554
Movement of Short-Term Borrowings	186.89	0.33	2.18	8.365
<b>Net Cash from/(used in) Financing Activities</b>	<b>131.48</b>	<b>(109.36)</b>	<b>425.74</b>	<b>49.18</b>



	Net Change in Cash & Cash Equivalents (A+B+C)	(185.11)	233.87	68.54	108.865
	Cash & Cash Equivalents at the beginning of the year	433.80	199.92	131.38	22.519
	<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>248.69</b>	<b>433.80</b>	<b>199.92</b>	<b>131.38</b>

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## GENERAL INFORMATION

Our Company was originally incorporated as a Public Limited Company namely “*R. Jain Capital Services Limited*” under the Companies Act, 1956 vide certificate of incorporation dated March 24<sup>th</sup>, 1994 issued by Registrar of Companies, Punjab, H.P. and Chandigarh bearing registration no. 014363. Our company was converted into Private Limited company, subsequently the Company’s name was changed to “*Diwakshi Enterprises Private Limited*”. Later on, the Company’s name was changed from “*Diwakshi Enterprises Private Limited*” to “*V S Yarns Private limited*” and fresh Certificate of Incorporation dated 16<sup>th</sup> March, 2004 was issued. Our Company’s name was changed from “*V.S Yarns Private Limited*” to “*Goflex Private Limited*” and fresh Certificate of Incorporation dated 11<sup>th</sup> October, 2023 was issued by Registrar of Companies, Chandigarh. Subsequently, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on October 13<sup>th</sup>, 2023. A fresh Certificate of Incorporation consequent to conversion was issued on November 10<sup>th</sup>, 2023 by the Registrar of Companies, Chandigarh and consequently, the name of our Company was changed from “*Goflex Private Limited*” to “*Goflex Limited*”

For further details, please refer to chapter titled “History and Corporate Structure” beginning from Page No. 128 of this Draft Red Herring Prospectus.

### A. Registered office, ROC office of our Company

<b>Registered Office</b>	B-XX- 3369, Fifth Floor, Gurdev Nagar, Ferozpur Road, Ludhiana, Punjab, India, 141001 Registration No: 014363 <b>Tel No.:</b> +91-7696302704; <b>Fax:</b> N.A. <b>E-mail:</b> info@goflexltd.com <b>Website:</b> <a href="http://www.goflexltd.com">www.goflexltd.com</a>					
<b>Date of Incorporation</b>	March 24, 1994					
<b>Corporate Identity Number (CIN)</b>	U24100PB1994PLC014363					
<b>Company Category</b>	Company Limited by Shares					
<b>Registrar of Company</b>	Registrar of Companies, Chandigarh 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, PIN-160019, Chandigarh. Email: <a href="mailto:roc.chandigarh@mca.gov.in">roc.chandigarh@mca.gov.in</a> Website: <a href="http://www.mca.gov.in">www.mca.gov.in</a>					
<b>Company Secretary and Compliance Officer</b>	Ms. Sangeeta House No 253-A Dr-Ambedkar Nagar, Dugri Ludhiana, Punjab-141002 Tel:+91-8968861564; Fax: N.A. Email: <a href="mailto:info@goflexltd.com">info@goflexltd.com</a>					
<b>Chief Financial Officer</b>	Mr. Vishal sharma House No. B-19, 158/7, Major Gurdial Singh Road, Civil Lines, Ludhiana, Bharat Nagar Chowk, Punjab-141001 Tel: +91-7696302704; Fax: N.A. Email: <a href="mailto:info@goflexltd.com">info@goflexltd.com</a>					
<b>Designated Stock Exchange</b>	Emerge Platform of National Stock Exchange of India Limited Address: Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051					
<b>Issue Programme</b>	Issue open & Close for Anchor	[●]	Issue Opens On:	[●]	Issue Closes On:	[●]



**Note:** Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days.

## B. DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

Lead Manager to the Issue	Registrar to the Issue
 <b>Fastrack Finsec</b> Category-I Merchant Banker	 <b>Skyline</b> <small>Towards Excellence</small> Financial Services Pvt. Ltd.
Fast Track Finsec Private Limited	Skyline Financial Services Private Limited
Office No. V-116, 1st Floor New Delhi House, 27, Barakhamba Road, New Delhi – 110001	D-153 A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase - I, New Delhi-110020
Tel No.: +91 – 011-43029809 Fax No. Not Available	Tel No: +91- 11-40450193-97; Fax No: +91-11-26812683
Email: <a href="mailto:vikasverma@ftfinsec.com">vikasverma@ftfinsec.com</a>	Email: <a href="mailto:compliances@skylinerta.com">compliances@skylinerta.com</a>
Website: <a href="http://www.ftfinsec.com">www.ftfinsec.com</a>	Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a>
Contact Person: Mr. Vikas Kumar Verma	Contact Person: Mr. Virender Kumar Rana
SEBI Registration No. INM000012500	SEBI Registration No.: INR000003241

Banker to the company	Banker to the Issue & Sponsor bank
[●]	[●]
[●]	[●]
Address: [●]	Address: [●]
Tele. No.: [●]	Tele. No.: [●]
E-mail: [●]	E-mail: [●]
Website: [●]	Website: [●]
Contact Person: [●]	Contact Person: [●]

Market Maker	Peer Reviewed/ Statutory Auditor
[●]	M/s K R Aggarwal & Associates
[●]	Chartered Accountants
Address: [●]	<b>Address:</b> SCO 549/10, Sutlej Tower, Opp. Petrol Pump, Near Fountain Chowk, Cementary Road, Ludhiana-141001
Tel No.: [●]	<b>Tel No.:</b> +917009518005 <b>Fax No.:</b> Not Available
Email: [●]	<b>Email:</b> kraggarwalassociates@gmail.com
Website: [●]	<b>Contact Person:</b> CA Vivek Aneja
Contact Person: [●]	<b>Firm Registration No.:</b> 030088N
SEBI Registration No.: [●]	<b>Peer Review Certificate No.:</b> 013664



<b>Legal Advisor</b>
Adv. Aman Thukral
Address: 701, 7 <sup>th</sup> Floor, Prakashdeep Building, 7, Tolstoy Road, New Delhi - 110001
Mobile. No.: +91-9891602513
Email Id: <a href="mailto:amanthukral@outlook.com">amanthukral@outlook.com</a>
Contact Person: Adv. Aman Thukral
Enrollment no.: D/3041/2018

### C. DETAILS OF BOARD OF DIRECTORS OF OUR COMPANY

S. No.	Name	DIN	Address	Designation
1.	Mr. Vishal Sharma	02151917	H. No. B-19, 158/7, Major Gurdial Singh Road, Civil Lines, Bharat Nagar Chowk, Ludhiana-141001, Punjab	Managing Director
2.	Mr. Sahir Thapar	09607418	1060, Sant Street, Adj Old DMC Hospital, Civil Lines, Ludhiana-141003, Punjab	Independent Director
3.	Mr. Ansh Jain	10331488	90-D Bhai Randhir Singh Nagar, Ludhiana-141008, Punjab	Independent Director
4.	Mrs. Navneet Kaur	10279779	House No. 536 Ward No. 60, Phase 2, Urban Estate, Dugri, Ludhiana-141003, Punjab	Independent Director

*For further details of Our Directors, please refer chapter titled “Our Management” beginning on page 133 of this Draft Red Herring Prospectus.*

### INVESTOR GRIEVANCES

Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or Lead Manager in case of any Pre-Issue or Post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and non-receipt of funds by electronic mode.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as Name of the Sole or First Applicant, Application Form number, Applicant’s DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Applicants submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which



the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Lead Manager shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount.

#### **SELF-CERTIFIED SYNDICATE BANKS**

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Applicant, (other than an RII using the UPI Mechanism), not Applying through Syndicate or through a Registered Broker, may submit the ASBA Forms, is available at the abovementioned link, and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form of Applicants is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

#### **INVESTORS BANKS OR ISSUER BANKS FOR UPI**

In accordance with UPI Circulars, RIIs applying via UPI Mechanism may apply through the SCSBs and mobile applications, whose names appear on the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>), as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' to the SEBI circular, bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

#### **REGISTERED BROKERS**

Bidders can submit Bid cum Application Forms in the Offer using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### **REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

#### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.



## **STATEMENT OF RESPONSIBILITY OF THE LEAD MANAGER/STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES**

Since Fast Track Finsec Private Limited is the sole Lead Manager to this Issue, a statement of inter-se-allocation of responsibilities amongst Lead Managers is not required.

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **EXPERT OPINION**

Except the report of the peer review auditor on Statement of Tax Benefits and report on Restated Financials, for the period ended on February 29, 2024 & financial years ended March 31, 2023, 2022 & 2021 as included in this Draft Red Herring Prospectus, our company has not obtained any expert opinion.

## **DEBENTURE TRUSTEE**

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

## **MONITORING AGENCY**

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

## **APPRAISAL ENTITY**

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

## **GREEN SHOE OPTION**

Green Shoe Option is not applicable for this Issue.

## **BOOK BUILDING PROCESS**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and Regional newspaper where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are: -

- Our Company;
- The Book Running Lead Manager in this case Fast Track Finsec Private Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with





National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;

- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

For further details, kindly refer to the chapter titled “Terms of the Issue” beginning on page 216 of this Draft Red Herring Prospectus.

*Illustration of Book Building Process and the Price Discovery Process:*

For an illustration of the Book Building Process and the price discovery process, see the chapter titled “Issue Procedure” beginning on page 231.

## UNDERWRITING AGREEMENT

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

Name, Address, Telephone, Fax, and Email of the Underwriter	Indicative No. of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Lakh)	% of the Total Issue Size Underwritten
Fast Track Finsec Private Limited Address: Office No. V-116, 1st Floor New Delhi House, 27, Barakhamba Road, New Delhi – 110001 Tel No.: +91 – 011-43029809 Email: <a href="mailto:vikasverma@ftfinsec.com">vikasverma@ftfinsec.com</a> Website: <a href="http://www.ftfinsec.com">www.ftfinsec.com</a> Contact Person: Mr. Vikas Kumar Verma SEBI Registration No. INM000012500	[●]	[●]	[●]

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

## FILING OF PROSPECTUS

In terms of Regulation 246(1) of the SEBI (ICDR) Regulations, 2018, a copy of the Red Herring Prospectus/ Prospectus shall be filed with the Board (SEBI) through the Lead Manager, immediately upon filing of the offer document with the Registrar of Companies. However, as per Regulation 246(2) of the SEBI (ICDR) Regulations, 2018, the Board (SEBI) shall not issue any observation on the offer document.

In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, 2018, a copy of this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus shall also be furnished to the Board in a soft copy.

A copy of the Prospectus shall be filed electronically with the SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, a copy of the Draft Red Herring Prospectus will be mailed at the e-mail address: [cfdil@sebi.gov.in](mailto:cfdil@sebi.gov.in)



A copy of the Red Herring Prospectus/Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 would be delivered for filing to the **Registrar of Companies – Chandigarh**

### CHANGE IN THE AUDITOR DURING LAST 3 YEARS

Except as stated below, there are no changes in the Auditor during last three (3) years as on date of this Draft Red Herring Prospectus:

S. No.	Particular	Date of Appointment	Date of Resignation	Reason of Resignation
1.	S C DANG & Co. Address: SCO 105, 1 <sup>st</sup> Floor, Silver Plaza Mall, Sodal Road, Jalandhar, Punjab-144004 Email: sc_dand@yahoo.com Peer Review Number: NA Firm Registration Number: 00217N	September 30, 2019	October 31, 2021	Pre-Occupation
2.	RAJESH NAKRA & CO. (Auditor appointed in case of casual vacancy for the period 01/04/2020 to 31/03/2021) (Appointed at the general meeting for the period starting from 01/04/2021 to 31/03/2026) Address: 1932/113-A, Street No. 5, Basant Nagar, Ludhiana, Punjab-141008 Email: calovishsingla@gmail.com Peer Review Number: NA Firm Registration Number: 005238N	October 31, 2021  November 30, 2021	-  June 06, 2023	-  Pre-Occupation
3.	K R AGGARWAL & ASSOCIATES (Auditor appointed in case of casual vacancy for the period 01/04/2022 to 31/03/2023) (Appointed at the general meeting for the period starting from 01/04/2023 to 31/03/2028) Address: SCO 549/10(Floor-1), Sutlej Tower, Above Kamalika Jewellers, Near Fountain Chowk, Cemetery Road, Ludhiana, Punjab-141001 Email: kraggarwalassociates@gmail.com Peer Review Number: 013664 Firm Registration Number: 030088N	July 05, 2023  September 30, 2023	-	-

### WITHDRAWAL OF THE ISSUE

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



with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company and the Lead Manager have entered into a tripartite agreement dated [●] with [●] the Market Maker for this Issue, duly registered with NSE Emerge to fulfill the obligations of Market Making:

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of NSE Limited and SEBI from time to time.
3. The minimum depth of the quote shall be Rs.1,00,000. However, the investors with holdings of value less than Rs.1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
7. The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

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

9. **Risk containment measures and monitoring for Market Makers:** Emerge Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital, etc. NSE can impose any other margins as deemed necessary from time to time.
10. **Punitive Action in case of default by Market Maker:** Emerge Platform of NSE will monitor the



obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Makers, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

Price Band and Spreads: Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27,2012, limits on the upper side for Markets Makers during market making process has been made applicable, based on the issue size and as follows:

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

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

*The trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.*

*This space is left blank intentionally.*



## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus is set forth below:

		Amount (Rs. In Lakhs)	
S. No.	Particulars	Aggregate Nominal value	Aggregate value at offer price
<b>A.</b>	<b>Authorised Share Capital</b>		
	80,00,000 Equity Shares of face value Rs.10/- each	800.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	53,17,200 Equity Shares of face value Rs.10/- each	531.72	-
<b>C.</b>	<b>Present Issue in terms of the Draft Red Herring Prospectus</b>		
	Issue of up to 22,78,400 Equity Shares of face value Rs.10/- each at a price of Rs. [●]/- per share	[●]	[●]
	<i>Consisting of:</i>		
I.	Reservation for Market Maker- [●] Equity Shares of face value Rs.10/- each at a price of Rs. [●]/- per Equity Share reserved as Market Maker Portion.	[●]	[●]
II.	Net Issue to the Public – [●] Equity Shares of face value Rs.10/- each at a price of Rs. [●]/- per Equity Share.	[●]	[●]
	<i>Of the Net Issue to the Public</i>		
	<b>Allocation to Retail Individual Investors</b> – At least [●] Equity Shares of Rs.10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of up to Rs.2.00 Lakhs.	[●]	[●]
	<b>Allocation to Non-Institutional Investors</b> – At least [●] Equity Shares of Rs.10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs.2.00 Lakhs.	[●]	[●]
	<b>Allocation to Qualified Institutional Buyers</b> – Up to [●] Equity Shares of Rs.10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation to Qualified Institutional Buyers.	[●]	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	Equity Shares of face value Rs. 10/- each		[●]
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		[●]
	<b>After the Issue</b>		[●]

*The present issue has been authorized by our Board of Directors vide a resolution passed at its meeting held on dated July 22, 2024, and by Special Resolution passed under Section 62(1)I of the Companies Act, 2013 at the EGM of our shareholders held on July 24, 2024.*

*Our Company has only one class of share capital i.e. Equity Shares of the face value of Rs. 10/- each only. All Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.*



## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of increase in Authorized Share Capital:

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

S. No.	Date	Increase in No. of Shares	Face Value (in Rs.)	Cumulative No. of Shares	Cumulative Authorised Share Capital (in Rs.)	Whether AGM/EGM
1.	On Incorporation	2,55,000	10	25,50,000	25,50,000	N.A.
2.	30.11.2013	40,00,000	10	42,55,000	4,25,50,000	EGM
3.	17.06.2024	37,45,000	10	80,00,000	8,00,00,000	EGM

Note: Kindly refer the "Risk Factor" beginning from Page no.28 of the Draft Red Herring Prospectus.

### 2. History of Equity Share Capital of our Company

S. No.	Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (Rs.)	Cumulative Securities premium (Rs.)
1.	On Incorporation	700	10	10	Cash	Subscription to MOA <sup>(1)</sup>	700	7000	-
2.	30.04.2002	52,500	10	10	Cash	Further Allotment <sup>(2)</sup>	53,200	5,32,000	-
3.	15.03.2004	2,00,000	10	10	Cash	Further Allotment <sup>(3)</sup>	2,53,200	25,32,000	-
4.	24.07.2024	50,64,000	10	10	Other than Cash	Bonus Issue <sup>(4)</sup> (In ratio 20:1)	53,17,200	5,31,72,000	-

#### Note:

- Initial Subscribers to Memorandum of Association hold 700 Equity Shares each of face value Rs. 10/- fully paid up as per the details given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Rakesh Jain	100
2.	Usha Jain	100
3.	Naveen Kumar Jain	100
4.	Bipla Jain	100
5.	Vinod Jain	100
6.	Ajay Kumar	100
7.	Romel Singh Thakur	100
	<b>Total</b>	<b>700</b>



2. The Company thereafter Issued 52,500 Equity shares on April 30, 2002, mentioned in detail below:

S. No.	Name	No. of Shares Issued
1.	Naveen Kumar Jain	500
2.	Romel Singh Thakur	400
3.	Sushil Kumar Gupta	51600
	<b>Total</b>	<b>52,500</b>

*Note: Type of issue is not known by the company as form of allotment is not available in records.*

3. The Company thereafter Issued 2,00,000 Equity shares on March 15, 2004, mentioned in detail below:

S. No.	Name of Person	No. of Shares Allotted
1.	S.G. Global Exports ltd	1,00,000
2.	S.G. Global Capital Services ltd	1,00,000
	<b>Total</b>	<b>2,00,000</b>

*Note: Type of issue is not known by the company as form of allotment is not available in records*

4. The Company thereafter Issued 50,64,000 Equity shares on July 24, 2024, by way of Bonus Issue\*, mentioned in detail below:

S. No.	Name of Person	No. of Shares Allotted
1	Mr. Vishal Sharma	10,12,000
2	Mr. Kanik Sharma	300
3	Mr. Atul Sharma	300
4	Mr. Avinash Kumar	300
5	Mrs. Riya Sethi	400
6	Ms. Sangeeta	400
7	Mrs. Sayesha Jain	300
8	Zeta Appnomics Private Limited	40,50,000
	<b>Total</b>	<b>50,64,000</b>

*\*Note: The bonus issue was made out of the free reserves as on 29.02.2024 that may be referred on page no. 166 of this Draft Red Herring Prospectus.*

3. In view of the statutory records available with the Company, it may be ascertained that the allotments were in compliance with the applicable Companies Act.

#### 4. Preference Share capital history of our Company

Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.



## 5. Shareholding of the Promoters of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters – Mr. Vishal Sharma and Zeta Appnomics Private Limited collectively hold total 53,15,100 Equity Shares representing 99% 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 Shares
<b>Mr. Vishal Sharma</b>							
09-03-2004	Transfer	25,000	10	10	Cash	Usha Jain, Bipla Jain, Vinod Jain, Ajay Kumar, Romel Singh Thakur, Naveen Kumar Jain, Sushil Kumar Gupta	0.47%
01-10-2006	Transfer	1,02,500	10	10	Cash	S.G. Global exports ltd, S.G. Global capital services ltd	1.93%
23-10-2020	Transfer	1,25,600	10	Nil	Gift	Mahesh Chander	2.36%
22-07-2024	Transfer	(2,02,500)	10	40	Cash	Zeta Appnomics Private Limited	(3.81%)
24-07-2024	Allotment	10,12,000	10	Nil	Other than Cash (Bonus Issue)	NA	19.03%
<b>Total</b>		<b>10,62,600</b>					<b>19.98%</b>
<b>Zeta Appnomics Private Limited*</b>							
22-07-2024	Transfer	2,02,500	10	40	Cash	Vishal Sharma	3.81%
24-07-2024	Allotment	40,50,000	10	Nil	Other than Cash (Bonus Issue)	NA	76.17%
<b>Total</b>		<b>42,52,500</b>					<b>79.98</b>





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 under pledge.

\*Zeta Appnomics Private Limited became the promoter after the transfer made on 22.07.2024 by Mr. Vishal Sharma.

## 6. Our shareholding pattern

The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Draft Red Herring Prospectus:

### I. Summary of Shareholding Pattern

Category Code	Category of shareholder	No. of Shares Held	No. of fully paid up equity Shares	No. of Partly paid up equity Shares	No. of underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total nos. of shares (unrealized as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form		
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)			
								Class X	Class Y	Total								
<b>I</b>	<b>I</b>	<b>II</b>	<b>IV</b>	<b>V</b>	<b>VI</b>	<b>VII=IV+V+VI</b>	<b>VIII</b>	<b>I</b>				<b>X</b>	<b>XI=VII+X</b>	<b>XII</b>		<b>XIII</b>	<b>XI</b>	
(A)	Promoters and Promoter	2	53,15,100	-	-	53,15,100	99.96	53,15,100	-	53,15,100	99.99	-	99.96	-	-	-	-	53,15,100



	Group																	
(B)	Public	6	2100	-	-	2100	0.04	2100	-	2100	0.01	-	0.04	-	-	-	-	2100
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>53,17,200</b>	<b>-</b>	<b>-</b>	<b>53,17,200</b>	<b>100</b>	<b>53,17,200</b>	<b>-</b>	<b>53,17,200</b>	<b>100</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,17,200</b>

\*As on the date of this Draft Red Herring Prospectus 1 Equity Share holds 1 vote.

**Note:**

- In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/05/2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Presently, all the existing equity shares of the Company are in dematerialized form.
- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE Emerge before commencement of trading of such Equity Shares.



5. As on the date of this Draft Red Herring Prospectus, there are no partly paid-up shares/outstanding convertible securities/warrants in our Company.
6. 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 Capital	No. of equity shares	As a % of Issued Capital
<b>Promoters</b>					
1.	Vishal Sharma	10,62,600	19.98	10,62,600	13.99
2.	Zeta Appnomics Private Limited	42,52,500	79.98	42,52,500	55.99
	<b>Total – A</b>	<b>53,15,100</b>	<b>99.96</b>	<b>53,15,100</b>	<b>69.98</b>
<b>Promoter Group</b>					
	<b>Total – B</b>	<b>NIL</b>			
<b>Public</b>					
3.	Kanik Sharma	315	0.006	315	0.004
4.	Atul Sharma	315	0.006	315	0.004
5.	Avinash Kumar	315	0.006	315	0.004
6.	Riya Sethi	420	0.008	420	0.006
7.	Sangeeta	420	0.008	420	0.006
8.	Sayasha Jain	315	0.006	315	0.004
9.	IPO	-	-	22,78,400	29.99
	<b>Total-C</b>	<b>2100</b>	<b>0.04</b>	<b>22,80,500</b>	<b>30.02</b>
	<b>Grand Total (A+B+C)</b>	<b>53,17,200</b>	<b>100.00</b>	<b>75,95,600</b>	<b>100.00</b>

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)*
Vishal Sharma	10,62,600	0.24
Zeta Appnomics Private Limited	42,52,500	1.90

\* As Certified by M/s KR Aggarwal & Associates, chartered accountants dated 30.09.2024.

8. 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 held*	% of Paid up Capital**
1.	Vishal Sharma	10,62,600	19.98
2.	Zeta Appnomics Private Limited	42,52,500 <sup>#</sup>	79.98
	<b>Total</b>	<b>53,15,100</b>	<b>99.96%</b>

<sup>#</sup>Transfer made on 22.07.2024 by Vishal Sharma

(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 held*	% of Paid up Capital**
3.	Vishal Sharma	10,62,600	19.98
4.	Zeta Appnomics Private Limited	42,52,500 <sup>#</sup>	79.98
	<b>Total</b>	53,15,100	<b>99.96%</b>

*#Transfer made on 22.07.2024 by Vishal Sharma*

*(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 held*	% of Paid-up Capital**
1.	Vishal Sharma	2,53,100	99.99
	<b>Total</b>		<b>99.99</b>

*(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 held*	% of Paid-up Capital**
1.	Vishal Sharma	2,53,100	99.99
	<b>Total</b>		<b>99.99</b>

\*The Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Draft Red Herring Prospectus.

\*\* the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

9. Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
10. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price, except as following:

#	Name of Allottees	No. of Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Date of Allotment	Reason for Allotment	Benefit occurred to Issuer
1.	Mr. Vishal Sharma	1012000	10.00	NIL	July 24, 2024	Bonus Issue in the Ratio of 20:1	-
2.	Mr. Kanik Sharma	300	10.00				-
3.	Mr. Atul Sharma	300	10.00				-
4.	Mr. Avinash Kumar	300	10.00				-
5.	Mrs. Riya Sethi	400	10.00				-
6.	Ms. Sangeeta	400	10.00				-
7.	Mrs. Sayesha Jain	300	10.00				-
8.	Zeta Appnomics Private Limited	4050000	10.00				-
	<b>Total</b>	<b>50,64,000</b>					



11. Except as disclosed in this Draft Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
12. We have 8 (Eight) shareholders as on the date of filing of this Draft Red Herring Prospectus.
13. As on the date of this Draft Red Herring Prospectus, our Promoters and Promoters' Group hold a total 53,15,100 Equity Shares representing 99.96% of the pre-issue paid-up share capital of our Company.
14. None of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the Company which is a promoter of the Company and/or the Directors of the Company have purchased or sold any securities of our Company during the past six months immediately preceding the date of filing this Draft Red Herring Prospectus except following:
  - A. In case of Acquisition by Transfer: 2,02,500
  - B. In case of Acquisition by Allotment: 50,62,000

S. No.	Name of the Shareholder	No. of Equity Shares	Acquisition Date	Face Value (Rs.)	Issue Price (Rs.)
<b>Promoters</b>					
1	Vishal Sharma	(2,02,500)	-	10	40
		10,12,000	24-07-2024	10	Nil
2	Zeta Appnomics Private Limited	2,02,500	22-07-2024	10	40
		40,50,000	24-07-2024	10	Nil

15. The members of the Promoters Group, Our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing this Draft Red Herring Prospectus.
- 16. Details of Promoter's Contribution locked in for 3 years:**

As per Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post-Issue Capital shall be considered as Promoter's Contribution.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20.00% of the post-issue Equity Share Capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, *Minimum Promoters Contribution as mentioned above shall be locked-in for a period of 3 years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.*

*Explanation: The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.*



We further confirm that Minimum Promoters Contribution of 20.00% of the post issue paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoters Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Equity Shares held by our Promoters, which are locked in for a period of 3 years from the date of Allotment in the Offer are given below:

Name of Promoter	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Percentage of post-Offer paid-up capital (%)	Lock in Period
Zeta Appnomics Private Limited	24.07.2024	Allotment	15,19,120	10	Nil	20%	3 Years

The Equity Shares that are being locked in are not ineligible for computation of Promoters contribution in terms of Regulation 237 of the SEBI ICDR Regulations. Equity Shares offered by the Promoters for the minimum Promoters contribution are not subject to pledge. Lock-in period shall commence from the date of allotment of Equity Shares in the Public Issue.

We confirm that the minimum Promoters contribution of 20.00% which is subject to lock-in for 3 years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters contribution;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price;
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters Contribution subject to lock-in.

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

#### ***Equity Shares locked-in for one year***

In addition to the above Equity Shares that are locked-in for three years as the minimum Promoters’ contribution, the promoters and public pre-issue shareholding of Equity Share capital of our Company, *i.e.*



37,98,080 Equity Shares shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

***Pledge of Locked in Equity Shares:***

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

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

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

***Transferability of Locked in Equity Shares:***

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

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the promoters’ Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters’ Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.

17. Our Company, our Promoters, our Directors and the Lead Manager to this Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
18. Our Company, offered securities through this issue shall be made fully paid-up, or may be forfeited for non-payment of calls within twelve months from the date of allotment of securities.
19. Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, at any point of time since Incorporation except as following:

S. No.	Name of Allottees	No. of Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Date of Allotment	Reason for Allotment	Benefit occurred to Issuer
1.	Mr. Vishal Sharma	10,12,000	10	NIL	July 24, 2024	Bonus Issue in the Ratio of 20: 1	-
2.	Mr. Kanik Sharma	300	10				-



3.	Mr. Atul Sharma	300	10				-
4.	Mr. Avinash Kumar	300	10				-
5.	Mrs. Riya Sethi	400	10				-
6.	Ms. Sangeeta	400	10				-
7.	Mrs. Sayesha Jain	300	10				-
8.	Zeta Appnomics Private Limited	40,50,000	10				-
<b>Total</b>		<b>50,64,000</b>					

20. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.
21. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
22. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
23. There are no safety net arrangements for this public Offer.
24. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
25. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
26. All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
27. As per RBI regulations, OCBs are not allowed to participate in this Issue.
28. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
29. Investors may note that in case of over-subscription, the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
30. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and NSE
31. The Issue is being made through Book Building Method.





32. Lead Manager to the Issue viz. Fast Track Finsec Private Limited and its associates do not hold any Equity Shares of our Company.
33. Our Company has not raised any bridge loan against the proceeds of this Issue.
34. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
35. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
36. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through this Draft Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
37. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
38. Our Promoters and the members of our Promoter Group will not participate in this Issue.
39. Our Company has not made any public issue since its incorporation.
40. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
41. For the details of transactions by our Company with our Promoter Group, Group Companies period ended on February 29, 2024 and during last three years ended on March 31, 2023, March 31, 2022 & March 31, 2021 Fiscals, please refer to “Note 27” –*Related Party Transaction* in the chapter titled “*Financial Information*” on page no. 176 of this Draft Red Herring Prospectus.
42. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page 133 of this Draft Red Herring Prospectus.
43. The Company has not granted ESOPs to any of its employees till the date of this Draft Red Herring Prospectus.
44. The Company has not made nor does it plan to make any Pre-IPO Placements.

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## OBJECTS OF THE ISSUE

The Issue comprises of fresh Issue of up to 22,78,400\* Equity Shares of our Company at an Issue Price of ₹ [●]/ per Equity Share, aggregating up to ₹ [●] lakhs by our Company. The proceeds from the Issue after deducting Issue related expenses are estimated to be ₹ [●] lakhs (the “Net proceeds”).

*\*Subject to finalisation of basis of allotment*

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the Emerge Platform of NSE. It will also create a public trading market for the Equity Shares of our Company.

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company to undertake our existing business activities and to undertake the activities for which the funds are being raised in the Issue.

The net proceeds of the Issue, i.e. gross proceeds of the Issue less the issue expenses to the extent applicable to the Issue (“Net Proceeds”) are proposed to be utilised for the following objects:

1. To meet out the Working Capital requirements of the Company;
2. To meet out the General Corporate Purposes; and

### Net Proceeds

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

Particulars	Amount (In Rs. Lakhs)
Gross Proceeds	[●]
Less: Issue Related expenses*	[●]
Net Proceeds**	[●]

*\* See “Issue Related Expenses” below*

*\*\* To be finalised upon determination of the Issue Price and updated in the Prospectus prior to the filing with the RoC.*

### Requirements of Fund and Utilisation of Net Proceeds

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The Net Proceeds are proposed to be utilized in accordance with the details set forth below:

S. No.	Particulars	Amount (In Rs. Lakh)
1.	Working Capital Requirement	1500.00
2.	General Corporate Purposes*	[●]
	<b>Total</b>	[●]

*\*To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC, the amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.*



The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. These are subject to revisions on account of changes in costs, financial condition, business strategy or external circumstances which may not be in our control. In case of any surplus after utilization of the Net Proceeds towards the aforementioned Objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilized towards general corporate purposes shall not exceed 25% of the Net Proceeds of the Fresh Issue, in accordance with applicable law. Further, in case of any variations in the actual utilization of funds earmarked towards the Objects set forth above, then any increased fund requirements for a particular Object may be financed by surplus funds, subject to utilization towards general corporate purposes not exceeding 25% of the Net Proceeds of the Fresh Issue in accordance with the SEBI ICDR Regulations and in compliance with the objectives as set out below, if any, available in respect of the other Objects for which funds are being raised in this Offer. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals.

### Proposed schedule of Implementation and Utilisation of Net Proceeds

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

Sr. No.	Particulars	Amount to be funded from Net Proceeds (Rs. In Lakhs)	Amount to be deployed from the net proceeds in FY 2025
1.	Funding the Working Capital requirements of our Company	1500.00	1500.00
2.	General Corporate Purpose	[•]	[•]
	<b>Total Net Proceeds</b>	[•]	[•]

### MEANS OF FINANCE

The fund requirements for all objects are proposed to be funded entirely out of the Net Proceeds and our internal accruals.

Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and through existing identifiable internal accruals as required under Regulation 230(1)(e) the SEBI ICDR Regulations.

#### Details of Utilization of Issue Proceeds

##### 1. Working Capital Requirements:

The details of the Company's working capital for the fiscal year ending on March 31, 2021, 2022, 2023 and February 29, 2024 and the source of funding, derived from the Restated Financial Statement are given below:

(Amount in Lakhs)

Statement of Working Capital Requirements						
Particulars	31.03.2021	31.03.2022	31.03.2023	29.02.2024	2024	2025
	(Audited)	(Audited)	(Audited)	(Audited)	(Provisional)	(Estimated)
<b>Current Assets</b>						
Inventories	429.71	210.81	210.53	435.81	249.31	600.00



Trade Receivables	1752.03	1531.72	2176.56	1877.25	1797.01	2874.00
Cash and Cash Equivalents	131.38	199.92	433.80	248.69	253.06	255.00
Short-term Loans and Advances	957.23	1885.85	1808.01	2138.74	2078.95	1752.00
<b>Total (A)</b>	<b>3270.35</b>	<b>3828.30</b>	<b>4628.91</b>	<b>4700.50</b>	<b>4378.33</b>	<b>5481.00</b>
<b>Current Liabilities</b>						
Short-Term Borrowings	9.19	11.37	11.71	198.60	131.64	0.00
Trade Payables	2555.93	2947.83	2983.57	2786.91	2494.29	2200.00
Other Current Liabilities	567.69	218.66	835.60	306.77	293.91	225.00
Short-Term Provisions	11.32	30.59	55.84	227.01	230.42	175.00
<b>Total (B)</b>	<b>3144.13</b>	<b>3208.46</b>	<b>3886.72</b>	<b>3519.29</b>	<b>3150.26</b>	<b>2600.00</b>
<b>Net Working Capital (A)-(B)</b>	<b>126.22</b>	<b>619.84</b>	<b>742.19</b>	<b>1181.21</b>	<b>1228.07</b>	<b>2881.00</b>
<b>Sources of Working Capital</b>						
Internal Sources/borrowings	<b>126.22</b>	<b>619.84</b>	<b>742.19</b>	<b>1181.21</b>	<b>1228.07</b>	<b>1381.00</b>
Working Capital Funding through IPO	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1500.00</b>

### Basis of Estimation

The Company is engaged in the business of manufacturing of flex banner fabrics. Our Company is a manufacturer or supplier of different qualities of flex banners fabric.

Details of Estimation of Working Capital requirement are as follows:

(in days)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	As on 29.02.2024	FY 2023-24	FY 2024-25
No. of Days for Trade Receivables	66 Days	33 Days	26 Days	28 Days	24 Days	29 Days
No. of Days for Trade Payables	102 Days	67 Days	38 Days	44 Days	35 Days	23 Days
No. of Days for Inventory Days	16 Days	5 Days	3 Days	7 Days	4 Days	6 Days



**Justification:**

S. No.	Particulars
<b>Trade Receivable Days</b>	Trade receivables stood at 66 days in FY20-21 as the company offered more credit to its customers. However, with the gradual increase in business in FY22 and FY23 trade receivable stood at 33 and 26 days respectively. We are expecting debtors level to be at 24 days and 29 days in FY24 and FY25 in line with current trends in the market.
<b>Inventory in Days</b>	Inventory levels are maintained by the company depending upon the demand and delivery schedules. Inventory management plays an important role in which company is engaged with growth of business. The inventory levels stood at 16, 5 and 3 days respectively in FY21, FY22 and FY23 and are expected to be in the same levels in FY24 and FY25
<b>Trade Payables in Days</b>	Trade payable days stood at 102, 67 and 38 days in FY21, FY22 and FY23. The company proposes to make early payments to negotiate better terms & finer pricing with increased liquidity. Accordingly, creditor days are expected to be at the level of 35 days and 29 days in FY24 and FY25 in line with trade practice due to increased liquidity.
<b>Short term Loans and Advances &amp; Other Current assets</b>	Short Term Loans and advances includes advances to others, suppliers, prepaid insurance, TDS TCS receivables, security deposits and interest receivable from FDR etc. We expect the same to reduce due to increase in business volume and cost effectiveness.
<b>Other current Liabilities</b>	Other Current Liability consist of Statutory Dues, other payables, Employee related liabilities, and advances from customers. We expect same to be at same level.
<b>Short term Provisions</b>	Short term provisions include Provision for tax, gratuity, bonus payable and other payables.
<b>Cash and Cash Equivalentents</b>	The company carries Cash and Cash Equivalentents up to 4 days of total revenue.

**Justification for increase in Working Capital in Financial Year 2023 as compared to Financial Year 2022**

The turnover of the Company has increased from Rs. 16978.67 Lakhs in FY22 to Rs. 29918.23 Lakhs in FY23 registering an increase of 76.21% over that of the previous year. Consequently, the Company's working capital requirement has also increased from Rs. 619.84 Lakhs in FY22 to Rs. 742.19 Lakhs in FY23 registering an increase of 20 % over that of the previous year. The increase in working capital is on account of increase in trade receivables and inventory holdings. Current assets of company have increased from Rs.3828.30 Lakhs in FY22 to Rs.4629.91 Lakhs in FY23. Current liabilities have also increased by Rs. 678.26 Lakhs in the same period. The company has utilized its internal accruals to fund its working capital requirements.

**Justification for increase in working capital requirement Financial Year 2024 as compared to Financial Year 2023.**

The Company's working capital requirement has been proposed to increase from Rs.742.19 Lakhs in FY23 to Rs. 1228.07 Lakhs in FY24 (estimated). The company proposes to reduce its trade payables levels from 38 days in FY23 to 35 days FY24. Further other current liabilities are also estimated to decreased by almost 19% in FY2024 due to payment of liabilities. Inventories are essential for smooth operations of business and we are expecting inventories to increase in absolute terms in FY24.

**Justification for the estimated working capital requirement increase for FY 2025 compared to FY 2024.**

The estimated growth in company's revenues in FY25 is around 35% over that of FY24. The Company's working capital requirements are also likely to increase from Rs. 1228.07 Lakhs to Rs.2881.00 lakhs in FY25. This increase in working capital requirement of Rs. 1652.93 lakhs is due to increase in trade receivables and inventories in absolute terms. As company is anticipating growth in sales due to market penetration strategy, its receivables and inventory will increase. It can also be seen that although the inventory and receivables are



increasing in absolute terms, the inventory holding days and trade receivables days is in line with previous years, justifying the increase in sales terms. Also, working capital is increasing due to lower trade payables and short term- borrowings.

## 2. General Corporate Purpose

Our Company intends to deploy the balance Net Proceeds aggregating Rs. [●] Lakh for General Corporate Purposes subject to such utilization not exceeding 25% of the Net Proceeds, in in compliance with Regulation 230(2) of the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (a) strategic initiatives
- (b) brand building and strengthening of marketing activities;
- (c) further capital expenditure
- (d) ongoing general corporate exigencies and
- (e) any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

## 3. Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs [●]Lakh.

(Rs. In Lakh)

S.No.	Particulars	Amount (Rs. in Lakhs)	% of Total Expenses
1	Lead manager(s) fees including underwriting commission.	[●]	[●]
2	Brokerage, selling commission and upload fees.	[●]	[●]
3	Registrars to the issue	[●]	[●]
4	Legal Advisors	[●]	[●]
5	Printing, advertising and marketing expenses	[●]	[●]
6	Regulators including stock exchanges	[●]	[●]
7	Others, if any (Advisors to the company, Peer Review Auditors, and other misc. expenses like printing & stationery etc.)	[●]	[●]
<b>Total</b>		[●]	[●]

### APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.



## **INTERIM USE OF FUNDS**

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue. Company will use Interim fund in accordance with the Companies Act, 2013 and other applicable laws as the case may be.

## **BRIDGE FINANCING FACILITIES**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

## **MONITORING AGENCY**

As per regulation 262(1) of the SEBI ICDR Regulations 2018, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs.10,000 Lakhs. Since the Issue size is below Rs. 10,000 Lakh, our Company is not required to appoint any monitoring agency for this Issue. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee as per Section 177 of the Companies Act, 2013. Pursuant to Regulation 32 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## **OTHER CONFIRMATIONS**

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed in the sections titled Our Promoters, Our Promoters Group and Our Management as mentioned on page nos. 147, 151 and 133 of this Draft Red Herring Prospectus.



## BASIS FOR ISSUE PRICE

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

## QUALITATIVE FACTORS

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

1. *Good track record;*
2. *Experienced management team and a motivated and efficient work force;*
3. *Cordial relations with our consumers;*
4. *Quality assurance and control.*

For further details, refer heading chapter titled “Our Business” beginning on page no. 105 of this Draft Red Herring Prospectus.

## QUANTITATIVE FACTORS

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

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

Financial Year	EPS (Basic & Diluted)	Weight	Product
2022-23	77.46	3	232.38
2021-22	19.56	2	39.12
2020-21	1.49	1	1.49
<b>Weighted Average EPS</b>			<b>45.50</b>
<b>For the period ended February 29, 2024*</b>			<b>181.54</b>

*\*Not Annualized*

#### Note:

- a) EPS Calculations have been done in accordance with Accounting Standard 20 - Earning per share issued by the Institute of Chartered Accountants of India.
- b) Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period.
- c) Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- d) For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.





**2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. [●]/- per Equity Share of face value Rs.10/- each fully paid up.**

Particulars	P/E Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for February 29, 2024*	[●]
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-2023	[●]
P/E ratio based on the Weighted Average EPS, as restated	[●]

*\*Not Annualized*

**Industry P/E\***

Highest	
Lowest	
<b>Average</b>	

*\* We believe that there are no listed Companies in India which are focused exclusively on the segment in which we operate.*

**3. Return on Net Worth (RONW)**

*(Amount in lakhs except no of shares)*

Financial Year	Return on Net Worth (%)	Weight
2022-23	66.12	3
2021-22	49.28	2
2020-21	7.38	1
<b>Weighted Average</b>		<b>50.72</b>
<b>For the period ended February 29, 2024*</b>		<b>60.78</b>

*\*Not Annualized*

**Note:**

- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated /Net worth as restated as at year end.*
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights*
- Net worth is aggregate value of the paid-up share capital of the Company and reserves and surplus, excluding revaluation reserves and attributable to equity holders.*

**4. Net Asset Value per Equity Share**

Particulars	Net Asset Value (NAV) in Rs.
February 29, 2024*	298.69
2022-23	117.15
2021-22	39.69
2020-21	20.13
<b>NAV Post-Issue</b>	<b>[●]</b>
<b>Issue Price</b>	<b>[●]</b>

*\*Not Annualized*

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

*NAV = Net worth excluding preference share capital and revaluation reserve/Outstanding number of Equity shares outstanding during the year or period.*



## 5. Comparison with industry peers

There are no listed Companies in India, the business portfolio of which is comparable with our business, accordingly it is not possible to provide an Industry comparison in relation to our Company.

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

Our company considers that KPIs included herein below have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 22<sup>nd</sup>, 2024. Further, the KPIs herein have been certified by KR Aggarwal and Associates, Chartered Accountants, by their certificate dated July 31, 2024. Additionally, the Audit Committee on its meeting dated July 22<sup>nd</sup>, 2024 have confirmed that other than verified and audited KPIs set out below, our company has not disclosed to earlier investors at any point of time during the three years period prior to the date of this Draft Red Herring Prospectus.

In additions to key performance indicators, investors are advised to see “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 28, 105 and 187, respectively to track our financial performance. We have described and defined them, where applicable, in “*Definitions and Abbreviations*” section on page 01. Our Company confirms that it shall continue to disclose all the KPIs included in this section “Basis for Offer Price”, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company as required under the SEBI ICDR Regulations.

## 6. Key metrics like revenue growth, EBIDTA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basis for evaluating the overall performance of our Company.

### *Standalone KPI indicators*

*(Amount in lakh, except EPS, % and ratios)*

Particulars	Period ended February 29 <sup>th</sup> , 2024	Financial Year ended March 31st, 2023	Financial Year ended March 31st, 2022	Financial Year ended March 31st, 2021
Revenue from operations <sup>(1)</sup>	24,334.60	29,918.26	16,978.67	9,536.26
Revenue CAGR (%) from F.Y. 2021-2023 <sup>(2)</sup>	NA	77.12%		
EBITDA <sup>(3)</sup>	714.93	284.60	105.64	39.53
EBITDA (%) Margin <sup>(4)</sup>	2.94%	0.95%	0.62%	0.41%
EBITDA CAGR (%) from F.Y. 2021-2023 <sup>(5)</sup>	NA	168.32%		
EBIT <sup>(6)</sup>	699.00	269.33	90.46	23.76
ROCE (%) <sup>(7)</sup>	56.46%	33.88%	14.46%	13.60%
Current ratio <sup>(8)</sup>	1.34	1.19	1.19	1.04
Operating cash flow <sup>(9)</sup>	(321.88)	349.07	(345.45)	59.59
PAT <sup>(10)</sup>	459.65	196.13	49.53	3.76
PAT Margin <sup>(11)</sup>	1.89%	0.66%	0.29%	0.04%
Net Worth <sup>(12)</sup>	756.29	296.63	100.51	50.98
ROE/ RONW <sup>(13)</sup>	0.87	0.99	0.65	0.08
EPS <sup>(14)</sup>	181.54	77.46	19.56	1.49

#### Notes:

(1) Revenue from operations is the revenue generated from operations by our Company.

(2) Revenue CAGR: The three-year compound annual growth rate in Revenue.

$[(\text{Ending Value}/\text{Beginning Value})^{(1/N)}]-1$

(3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses



- (4) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- (5) EBITDA CAGR: The three-year compound annual growth rate in EBITDA.  

$$[(Ending\ Value/Beginning\ Value)^{(1/N)}]-1$$
- (6) EBIT is Earnings before Finance Cost and taxes.
- (7) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
- (8) Current Ratio: Current Asset over Current Liabilities
- (9) Operating Cash Flow: Net cash inflow from operating activities
- (10) PAT is mentioned as profit after tax for the period.
- (11) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- (12) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.
- (13) ROE: Return on Equity is calculated as PAT divided by average shareholders' equity
- (14) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

**Set forth the description of historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company.**

For evaluation our business, we consider that the KPIs, as presented above, as additional measures to review and assess our financial and operating performance. These KPIs have limitations as analytical tools and presentation of these KPIs should not be considered in isolation or as a substitute for the Restated Standalone Financial Information. Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use our operating results and trends and in comparing our financial results with other companies in our industry as it provides consistency and comparability with past financial performance.

KPI	Explanation
Revenue from operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
Revenue CAGR %	Revenue CAGR informs the management of compounded annual growth rate i.e. Rate at which Company's revenue are growing on annual basis.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
EBITDA CAGR %	EBITDA CAGR indicate our compounded growth of the business
ROCE %	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	Current ratio indicates the company's ability to bear its short-term obligations
Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash from day-to-day business
PAT	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
ROC/RONW	ROC/RONW (%) is an indicator which shows how much company is generating from its available shareholders' funds



## 7. Weighted average cost of acquisition

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

Following are the primary/ new issue of shares of Equity Share excluding shares issued under ESOP/ESOS and issuance of bonus shares during the 18 months preceding the date of this Draft Red Herring Prospectus where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-issue capital before such transaction), in a single transaction or multiple transactions combined together over a span of rolling 30 days;

Date of allotment	No of equity shares allotted	Face value	Issue price	Nature of allotment	Nature of consideration	Total consideration
Nil						

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

Details of secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days are as follows:

Date of Transfer	Name of Transferor	Name of Transferee	No. of Shares	Face Value	Price per Share	Nature of consideration	Total consideration
22.07.2024	Mr. Vishal Sharma	Zeta Appnomics Private Limited	2,02,500	10	40	Cash	81,00,000
<b>Weighted Average Cost of Acquisition (WACA)</b>							<b>40.00</b>

(c) The weighted average cost of acquisition (WACA) based on primary/ secondary transaction(s) respectively as disclosed in terms of above clause (a) and (b), is disclosed in the following manner:

Type of transaction	Weighted average cost of acquisition (₹ per equity shares)	Issue Price
Weighted average cost of primary / new issue acquisition	NA	NA
Weighted average cost of secondary acquisition	40	40
Weighted average cost of acquisition on the basis primary/ new issue of shares not older than 3 years prior to the date of filing of Draft Red Herring Prospectus	NA	NA
Weighted average cost of acquisition on the basis secondary sale/ acquisition of shares not older than 3 years prior to the date of filing of Draft Red Herring Prospectus	40	40

(d) Explanation for the Issue Price:

The Issue Price of Rs. [●]-/- has been determined by our Company in consultation with the Lead Manager which is justified on the basis of the above information.



For further details see section titled “Risk Factors” beginning on page no. 28 and the financials of the Company including profitability and return ratios, as set out in the section titled “Financial Information” beginning on page no. 155 of this Draft Red Herring Prospectus for a more informed view.

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## STATEMENT OF POSSIBLE TAX BENEFITS

### Independent Auditor's Report on Statement of Special Tax Benefits

To,  
The Board of Directors  
**Goflex Limited**  
B-XX- 3369, Fifth Floor, Gurdev Nagar,  
Ferozepur Road, Ludhiana, Punjab, India, 141001.

Dear Sir,

**Sub: Statement of possible Special tax benefit ('the Statement') available to GOFLEX LIMITED and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

We hereby confirm that the enclosed annexure, prepared by "GOFLEX LIMITED" ("the Company") states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act') as amended time to time, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, the Customs Act, 1962 and the Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2023, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India for inclusion in the Draft Red Herring Prospectus ("DRHP") / Prospectus for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- the Company or its Shareholders will continue to obtain these benefits in future;



- the conditions prescribed for availing the benefits, where applicable have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

### **Limitations**

*Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.*

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

**Signed in terms of our separate report of even date.**

**For KR Aggarwal & Associates**

Chartered Accountants,

Firm Registration No: 030088N

**Sd/-**

**CA Vivek Aneja**

Partner

Membership No: 544757

UDIN: 24544757BKACFH8924

Place: Ludhiana

Date: 31.07.2024



## Annexure to the statement of possible Tax Benefits

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

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

### **1. Special Tax Benefits available to the Company under the Act:**

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

### **2. Special Tax Benefits available to the shareholders of the Company**

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

#### **Notes:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

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

**Signed in terms of our separate report of even date.**

**For KR Aggarwal & Associates,**  
Chartered Accountants,  
Firm Registration No: 030088N

**Sd/-**

**CA Vivek Aneja**

Partner

Membership No: 544757

UDIN: 24544757BKACFH8924

Place: Ludhiana

Date: 31.07.2024





## SECTION V - ABOUT THE COMPANY

### INDUSTRY ANALYSIS

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and other industry sources. Neither we nor any other person connected with this Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly investment decisions should not be based on such information.*

#### **INDIAN ECONOMY**

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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

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

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

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

#### **TEXTILE INDUSTRY**

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. Now Indian Textile industry is 5<sup>th</sup> largest producer of technical textiles in the whole world and 2<sup>nd</sup> largest producer of both polyester and viscose globally. The domestic Man-Made Fabric industry mainly comprises of two components i.e., polyester and viscose, which together accounts for about 94% (in volume terms). Under this, polyester accounts for about 77.5% while viscose accounts for the remaining share. MMF is primarily used to produce 100% non-cotton fabrics and blended fabrics, which are in turn used in readymade garments, home textiles and other industrial textiles.



Overall Polyester Filament Yarn (PFY) demand is projected to witness 15-20% growth in fiscal 2022. Overall Polyester Staple Fibre (PSF) demand is projected to witness a growth of 14-19%. Global end-use demand for textile fibres is forecast to expand by an average of 2.80% per annum between 2015 and 2025, from 90.10 Mn Tonnes to 119.20 Mn tons and global end-use demand for man-made fibres is expected to increase by 3.7% in 2025. India's export of MMF textiles and apparel was \$9.56 Bn for FY: 2021-22. Presently India produces over 1441 Mn Kg of man-made fibres and over 3000 Mn Kg of man-made filaments. The manmade fibre value chain is vertically integrated with upstream and downstream linkages from raw materials to finished goods. Cumulatively the market size of technical textiles in the whole world is nearly \$22 Bn and it is expected to buildup to \$300Bn by 2047.

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

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

Sources: - *Invest India, IBEF*

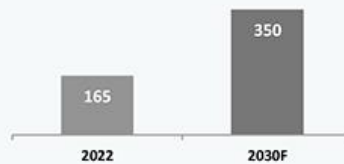


# TEXTILES AND APPAREL



## MARKET SIZE

Textiles and Apparel Industry (US\$ billion)



Key Facts as of FY23

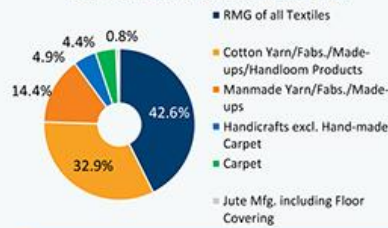


Contributes 2.3% to India's GDP  
Employs over 45 million people  
Contributes 12% to India's export earnings



## SECTOR COMPOSITION

Share of India's textile exports (Between April-December (2023-24))



Fabric Production in FY24\*(million square meter)



Note: \* Until April-June 2023-24



## KEY TRENDS

Textiles Trade (US\$ billion)



Note: \* Until January 2024; Imports include textile yarn fabric and made-up articles; Exports include RMG of all textiles, cotton yarn/fabs./made-ups/handloom products, man-made yarn/fabs./made-ups, handicrafts excl. hand-made carpets, carpets, jute mfg. including floor coverings



## GOVERNMENT INITIATIVES



National Textile Policy



Khadi App Store



Pradhan Mantri Fasal Bima Yojana

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



## ADVANTAGE INDIA

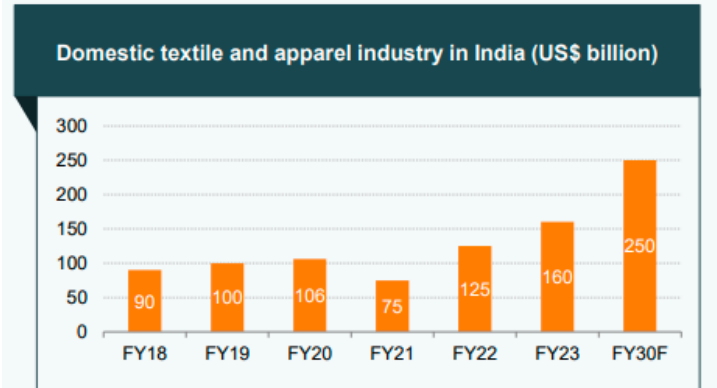
- Robust demand:** Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030, with exports expected to reach US\$100 billion..
- Competitive advantage:** Abundant availability of raw materials such as cotton, wool, silk and jute. India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers.
- Policy support:** 100% FDI (automatic route) is allowed in the Indian textile sector. In October 2021, the government approved a scheme worth Rs. 4,445 crore (US\$ 594.26 million) to establish seven integrated mega textile parks and boost textile manufacturing in the country.
- Increasing investments:** In June 2023, Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in textile sector. Total FDI inflows in the textiles sector stood at US\$ 4.34 billion between April 2000-September 2023.



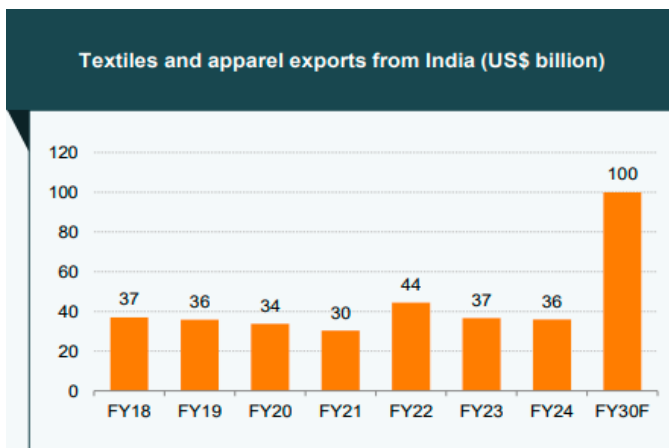
Source: - <https://www.ibef.org/industry/textiles/infographic>

## **INDIAN TEXTILE INDUSTRY**

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030, with exports expected to reach US\$100 billion. Global apparel market is expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030. India is the world's second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4.6% share of the global trade in textiles and apparel. India is the world's 3rd largest exporter of Textiles and Apparel. The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports.



The textile industry has around 45 million workers employed in the textiles sector, including 3.5 million handloom workers. During FY24, the total exports of textiles (including handicrafts) stood at US\$ 35.9 billion. The amount of Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major boost for textile manufacturers. The scheme proposes to incentivize MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$ 65 billion by FY 2026. Make in India campaign was launched to attract manufacturers and FDI. Technology Mission for Technical Textile has been continued. The Mega Integrated Textile Region and Apparel (MITRA) Park' scheme was launched to



establish seven textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period.

The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool to synthetic/man-made fibres like polyester, viscose, nylon and acrylic. India's textiles industry contributed 7% to the industry output (by value) in 2022. The Indian textiles and apparel industry contributed 2.3% to the GDP, 12% to export earnings, 13% to industrial production and held 4% of the global trade in textiles and apparel in 2023.

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

## **The sector has been posting strong growth over the years**

The size of India's textile market stood at US\$ 223 billion in 2021, growing at a CAGR of 10.23% from 2016. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade. The Indian textiles market is expected to be worth US\$ 350 billion by 2030. India's textile

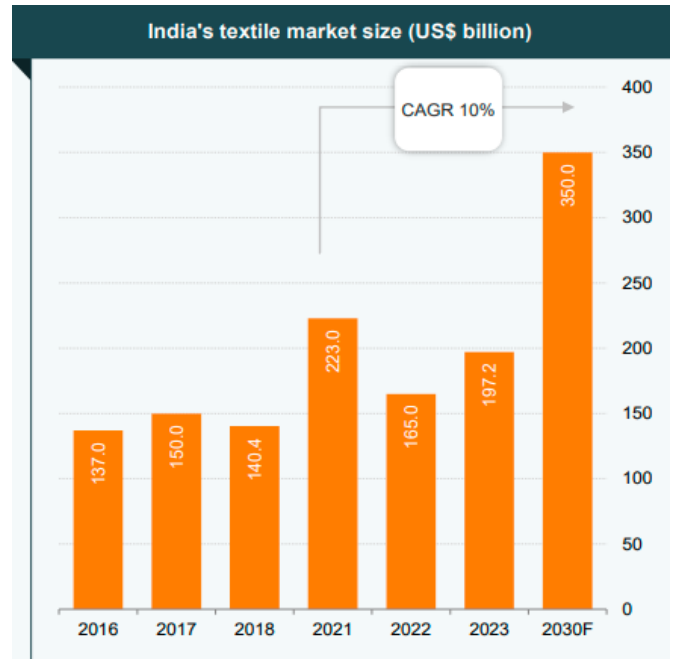


and apparel exports to the US, its single largest market, stood at 32.7% of the total export value in FY24. In December 2022, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Mr. Piyush Goyal, discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.

In September 2021, the government approved a Rs. 10,683 crore (US\$ 1.44 billion) production-linked incentive (PLI) scheme for the textiles sector. This will benefit the textile manufacturers registered in India. Incentives under the scheme will be available for five years from 2025-26 to 2029-30 on incremental turnover achieved from 2024-25 to 2028-29. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

### **TECHNICAL TEXTILES**

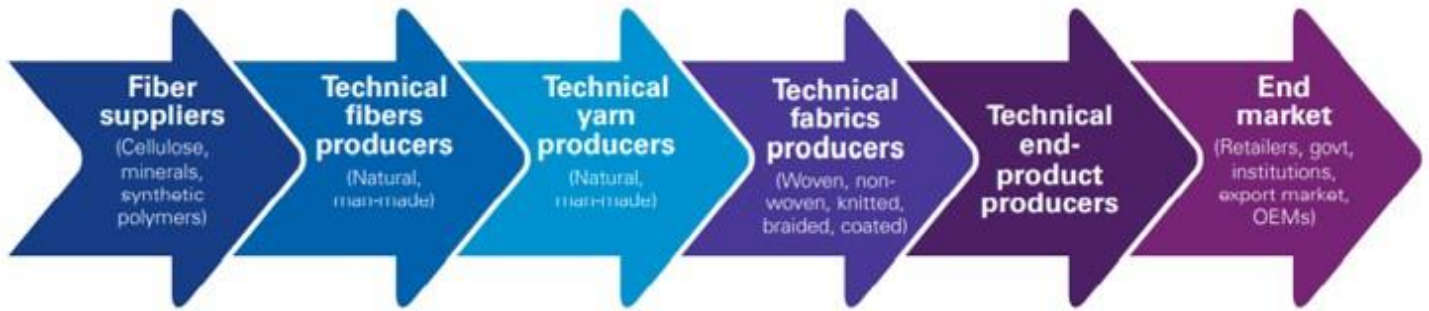
The Indian market for technical textiles is the 5th largest in the world continuously expanding at a CAGR of 8-10% per annum, over the past 5 years at US\$ 21.95 billion in 2021-22. The production of technical textiles accounted for US\$ 19.49 billion and imports accounted for US\$ 2.46 billion. The Technical Textile segment accounts for around 15% of the overall textile and Apparel market in India and is significant in terms of employment and investment. High-performance textiles, also known as technical textiles, are used in a variety of industries, including agriculture, medicine, building infrastructure, automotive, aerospace, sports, protective gear, packaging, and so on. The demand for these products is driven by a country's development and industrialization. Given the rate at which emerging economies are industrializing, the market for technical textiles is expected to grow in parallel with global industrial growth. In the last few years, the Indian market for technical textiles has expanded dramatically, due to applicable innovations and increased public knowledge of technological textiles.



Technical textiles are the forerunner of many new applications embracing practically all aspects of life, with enormous potential for increasing productivity, efficiency, and cost economics, and delivering new approaches to many engineering and general applications. The end-use of Technical Textiles goods caters to a diverse range of sectors, presenting a plethora of prospects as a high-value sector in India. The government is making every effort to promote technical textiles and has launched several programmes in this regard. The Indian government has ambitious goals and projects to promote India as one of the world's leading hubs for Technical Textiles and to establish a strong manufacturing base in India. The government is attempting to promote exports while simultaneously fostering a steady and healthy expansion of the domestic market.

### **Technical Textile Industry in India**

The textile sector contributes significantly to the output of the manufacturing sector and is the 2nd largest employer in India. The industry has recently advanced up the value chain and expanded into technical textiles. The government is actively encouraging research and innovation in technical textiles to boost exports and the sector's worldwide competitiveness.



Technical textiles are textile goods whose primary focus is on technical performance and functionality. These goods are used in a variety of industries, including construction, agriculture, aerospace, automotive, healthcare, protective gear, and home care. Technical textiles outperform conventional textiles, which are primarily concerned with aesthetics.

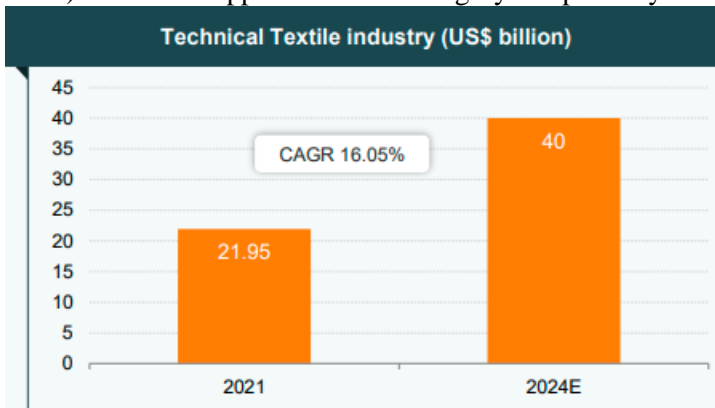
Natural and synthetic fibres, including Nomex, Kevlar, Spandex, and Twaron, are used in the production of technical textiles. These fibres, which have increased functional qualities such as higher tenacity, superior insulation, and improved thermal resistance, are employed in a variety of industries and applications.

Source: - <https://www.ibef.org/blogs/vision-and-strategic-roadmap-for-technical-textiles>

### **Technical textile industry - a new arena of growth**

Technical textiles have been grouped into 12 categories: Agrotech, Meditech, Mobiltech, Packtech, Sportech, Buildtech, Clothtech, Hometech, Protech, Geotech, Oekotech and Indutech. Technical textile industries’ major service offerings include thermal protection and blood-absorbing materials, seatbelts and adhesive tapes. Healthcare and infrastructure sectors are two major drivers of the technical textile industry. The Government has assigned 207 Harmonized System Nomenclature (HSN) to promote India’s technical textile industry. As of November 2021, 377 technical textile products were developed according to the Bureau of Indian Standards (BIS).

Under National Technical Textile Mission (NTTM), 74 research proposals valuing US\$ 28.27 million (Rs. 232 crore) have been approved in the category of speciality fibre and technical textile. 31 new HSN codes have been developed in this space. In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. And MBA courses in technical textiles. The Indian government has notified a uniform GST rate of 12% on manmade fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect on January 1, 2022. The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and the 5 th largest technical textiles market in the world.



India’s sportech industry is estimated around US\$ 1.17 million in 2022-23. The Government of India has earmarked a corpus of Rs. 1,000 crore (US\$ 127.72 million) dedicated to research and development of the technical textiles sector. Government introduced six additional courses for technical textiles in its skill development programme called Samarth. Exports for 247 technical textile items stood at Rs. 5,946 crore (US\$ 715.48 million) between April-June (2023-24).



# Application areas in Technical Textiles

	Geotech		Geogrids		Geocomposites		Geobags		Geonets												
	Agrotech		Anti-hail Anti-bird Nets		Crop Covers		Fishing Nets		Mulch Mats		Shade Nets										
	Mobiltech		Air Bags		Automotive Interior Carpets		Car Body Covers		Headliners		Helmets		Insulation felts		Seat belts		Seat Cover Fabrics		Tyre Cords		Sun visors
	Indutech		Glass Battery Separators		Coated Abrasives		Conveyor Belts		Drive Belts		Industrial Filtration Products		Industrial Webbing & Slings		Ropes and Cordages						
	Meditech		Baby & Adult Diapers		Compression Garments		Dental Floss & Ear Buds		Extra Corporeal Devices		Medical Wipes		Orthopedic Implants		Sanitary Napkins		Surgical Disposables		Vascular Grafts		
	Protech		Bullet Proof Jackets		Fire Retardant Fabrics		Fire Retardant Jackets		High Altitude and Visibility Clothing		Industrial Gloves		High Altitude Tents								
	Sporttech		Artificial Turf		High performance swimwear & Sportswear		Parachute Fabric		Sleeping Bags		Sports footwear components		Tents		Sports Composites						
	Buildtech		Architectural Membranes		Awnings and Canopy		Canvas Tarpaulin		HDPE Tarpaulin		Hoarding /Signages		Scaffolding Nets								
	Packtech		FIBC (Jumbo Bags)		Jute Hessian and Sacks		Leno Bags		Polyolefin woven sacks		Shopping Bags		Tea bags filter paper		Treated Wrapping Fabric						
	Homotech		Blinds		Carpet Backing Cloth		Fibre Fill		Filter Fabric		Furniture and Other Coated Fabrics		Mosquito Nets		Non-woven Household Wipes		Stuffed Toys (Plush Fabric)				
	Clothtech		Elastic narrow tape		Hook and loop fastener		Labels and Badges		Shoelaces		Umbrella cloth		Zip fastener tape		Laces and Tapes						
	Oekotech		Drainage Lining/Nets		Landfill solutions		Wire-netting		Geo-matress												

Source: - <https://www.ibef.org/>

Source: [https://ministryoftextiles.gov.in/sites/default/files/Technical\\_Textiles\\_E-Booklet.pdf](https://ministryoftextiles.gov.in/sites/default/files/Technical_Textiles_E-Booklet.pdf)  
<https://www.ibef.org/>

## Application of Technical Textile Industry

### • Indutech

Textiles for chemical and electrical applications, as well as textiles for mechanical engineering. Industrial brushes, paper-making textiles, filtration products, computer printer ribbons, printed circuit boards, composites, ropes & cordages, coated abrasives, AGM glass battery separators, bolting cloth, cigarette filter nodes, drive belts, and conveyor belts are all examples of industrial textiles.

### • Mobiltech

Nylon tyre cord fabrics, seat cover fabric/upholstery, seat belts, cabin filters, tufted carpet, helmets, insulation felts, automotive interior carpets, sun visors/sun blinds, headliners, airbags, seat belt webbing, car body covers, airline disposables, aircraft webbings and others are examples of technical textiles used in transportation.

### • Sporttech

Tents, swimwear, footwear components, sports netting, sleeping bags, hot air balloons, parachute textiles, artificial grass, sports composites, and other items are examples of Sports textiles.

### • Buildtech

Textiles used in construction include concrete reinforcement, façade foundation systems, interior construction, insulation, proofing materials, air conditioning, noise prevention, visual protection, sun protection, and building safety. For example, architectural membranes, floor & wall coverings, scaffolding nets, awnings & canopies, HDPE tarpaulins, signages, Hoardings and Signages and more.

The textile components and fabrics used in the building and construction industry are called building technical



textiles or Buildtech.

Technical textile products under Buildtech segment are as follows:

1. Acoustic Fabric
2. Architectural Membranes
3. Awnings and Canopy
4. Canvas Tarpaulin
5. HDPE Tarpaulin
6. Hoardings/Signages
7. Scaffolding Nets

- **Acoustic Fabric**

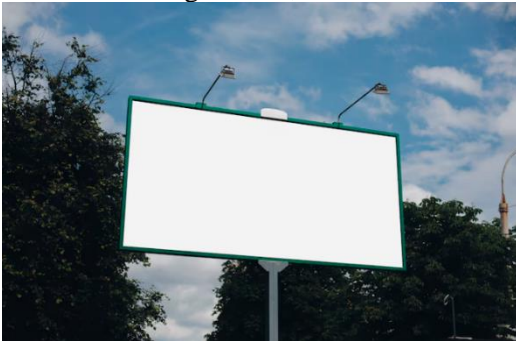
Acoustic fabrics are polyester-based, needle-punched nonwoven materials used to cover walls and ceilings in venues like multiplexes, auditoriums, and music studios to reduce noise through sound absorption. When selecting these fabrics for acoustic panels, key factors include transparency, functionality, and aesthetics, with transparency being the most crucial. These fabrics are increasingly preferred over traditional glass wool insulators. While some manufacturers produce their own fabric, many source from specialized fabric producers. Major global producers include Armstrong, Saint-Gobain, GandS Acoustics, RPG, and others. The multiplex industry is a significant driver of demand, with the top five global manufacturers holding over 25% of the market share.

- **Architectural Membranes**

Architectural membranes are lightweight spatial structures made of tensioned membranes which aid in the construction of buildings. They are used to construct roofs and façades, free-standing buildings, building envelopes, skylights, indoor ceilings and/or accent enclosures. These lightweight structures are ideal for use in a wide range of buildings such as sports and entertainment centres, commercial buildings, living and private spaces.

- **Hoardings and Signages**

Hoardings / Signages are made of a translucent flexible textile substrate called flexible-face sign fabric. Flexible-face sign fabric, also known as flex



was developed as an alternative to rigid-faced substrates like acrylic, plastic and polycarbonates. Besides hoardings, this material has applications in light boxes, exhibits, trade show displays and majority of other static out of home (OOH) advertising. Flex is made of a PVC coated polyester warp knitted fabric. The fabric is made from high tenacity polyester filament yarn of denier ranging from 250 to 500. This fabric is coated with PVC and surface treated with lacquer. The material has the properties like Light transmission, Printability, Ultra Violet resistance, Heat sealability, Mildew resistance, Anti wicking. Flex is available in different varieties depending on its application. The flex used for front-lit hoardings is available in GSM ranging between 280 and 370 and that for back-lit hoardings is available in GSM ranging from 450 to 650.





- **Homotech**

Interior decoration and furniture, carpeting, sun protection, cushion materials, fireproofing, floor and wall coverings, textile reinforced structures/fittings, furniture fabrics, fibrefill, stuffed toys, blinds, mattress and pillow components, carpet backing cloth, mosquito nets, Hoover cleaner filters and others are examples of textiles used in a domestic environment.

- **Meditech**

These are often used in bandages and sutures (wound stitching). Surgical dressings, contact lenses, artificial implants, infant diapers, incontinence diapers, sanitary napkins, surgical sutures, surgical disposables, and other items are all examples of medical textiles. Surgical gowns and drapes are also covered in medical fabrics.

- **Clothtech**

Technical textiles are used in a variety of clothing applications, such as zip fasteners, umbrella material, sewing threads, interlinings, labels, elastic narrow fabrics, and shoelaces.

- **Agrotech**

Agro textiles are textiles used in agriculture. Anti-hail/bird nets, finishing nets, crop covers, mulch mats, shade nets, etc are all examples of agrotech.

- **Protech**

Protection against heat and radiation for firefighter clothing, molten metals for welders, bulletproof jackets, etc., is achieved by the use of technical fabrics with high-performance fibres. High-altitude clothes, ballistic protection clothing, fire retardant clothing, high visibility clothing, and industrial gloves are protective textiles.

- **Packtech**

Packaging textiles include leno bags, wrapping cloth, jute hessian and sacks, soft luggage, tea bag filter paper, woven sacks, and others.

- **Oekotech or echotech (Environmentally friendly textiles)**

Technical textiles are used in environmental engineering and landfill waste management (geosynthetic products to secure landfills against leakage of municipal or hazardous waste), or in secondary protection in the chemical and oil industries (ground covers and around process tanks as secondary containment for tank leaks).

- **Geotech**

These are utilised in embankment reinforcement or construction projects. Geotextile fabrics are permeable and are employed with soils with the ability to separate, filter, protect, or drain. Civil engineering, earth and road construction, dam engineering, soil sealing, and drainage systems are some of the applications. Glass, polypropylene, and acrylic fibres are synthetic fibres that are used to prevent cracking in concrete, plastic, and other building materials.

Source: <https://www.ibef.org/blogs/vision-and-strategic-roadmap-for-technical-textiles>



<https://www.ittaindia.org/node/52>

## **RISING GROWTH FACTORS**

- Rising usage across industries.
- Standards and Guidelines
- Strong Textile Value Chain
- Eased Government regulations
- Innovation and R&D
- Robust policy ecosystem & initiatives
- Varying Consumer Preferences
- Climate change
- Useful physical properties of technical textiles

### **Why Technical Textiles is the future of Textiles?**



*Source: <https://ntm.texmin.gov.in/pdf/WhatsNew/TechnicalTextilesEBooklet.pdf>*

### **Advantage India: -**

#### **1. Growing demand**

- Rise in demand from foreign nations lead to the high demand in the buildtech MMF. The exports in 2016-17 was 7.83 USD Mn and it accounted for 48.69 USD Mn in 2021-22 with a growth rate of 68.5% in medium run which is highest among the whole technical textiles industry of whole India.
- Demand is expected to grow on account of increased spending on infrastructure
- Increasing awareness and usage of products like architectural membrane, scaffolding nets.
- Growing demand for protective clothing at construction sites

#### **2. Increasing Investments and Spending**

- 7 PM Mega Integrated Textile Regions and Apparel (PM MITRA) parks are expected to attract ₹70,000 crore in four-six years with 20 lakh direct and indirect employments, the PLI scheme is likely to attract investments worth ₹25,000 crore with 2.5 lakh additional jobs.



### 3. Policy support

- The government has announced 7 Mega Investment Textiles Parks (MITRAs) and Production Linked Incentive (PLI) Scheme in the budget 2021-22, to enable the textile industry to become globally competitive, attract large investments, boost employment generation and exports and contribute to achieve the goal of 5 trillion-dollar economy.
- National Technical Textiles Mission (NTTM) It is the Ministry of Textiles' flagship initiative, with a budget of US\$ 180.42 million (Rs. 1,480 crore) for a timeline of 2020-21 to 2023-24. The scheme's objectives are to increase the penetration of technical textiles and upgrade workforce skillsets, promote the usage of technical textiles in various flagship schemes and missions, and develop products, indigenous machinery and equipment for technical textiles in order to boost 'Make in India' and enable the industry competitiveness, and position of India as a global leader.

### 4. Opportunities

- India's technical textile companies are expanding their capacities to cater to rising demand from domestic and overseas.

### Technical Textiles import and export statistics: -

## Exports of Technical Textiles



#	Category	Exports (USD Million)						Growth Rate (%)		Share (%) <sup>#</sup>
		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Short Run*	Medium Run**	
1	Packtech	555.54	693.37	809.23	740.32	784.45	1104.09	40.7%	12.3%	39%
2	Indutech	248.04	315.71	370.54	441.74	522.72	692.68	32.5%	21.7%	25%
3	Mobiltech	146.82	208.68	234.70	212.48	187.22	261.31	39.6%	5.8%	9%
4	Clothtech	122.58	133.10	158.06	141.40	226.56	222.72	-1.7%	13.7%	8%
5	Homotech	127.85	130.55	115.56	130.90	125.64	136.80	8.9%	1.2%	5%
6	Meditech	46.60	90.55	94.23	111.53	119.72	154.61	29.1%	14.3%	5%
7	Agrotech	78.35	71.74	85.04	85.59	89.18	93.76	5.1%	6.9%	3%
8	Buildtech	7.83	6.04	11.28	14.61	17.90	48.69	172.0%	68.5%	2%
9	Protech	16.96	28.56	47.36	45.97	39.48	49.38	25.1%	14.7%	2%
10	Geotech	20.13	24.18	34.90	31.33	27.51	35.06	27.4%	9.7%	1%
11	Sportech	82.58	91.52	87.88	100.77	73.40	44.02	-40.0%	-16.7%	1%
12	Specialty Fibre	0.47	0.44	0.76	1.05	1.58	0.81	-48.7%	16.5%	0%
<b>Grand Total</b>		<b>1453.75</b>	<b>1794.44</b>	<b>2049.54</b>	<b>2057.69</b>	<b>2215.36</b>	<b>2843.93</b>	<b>28.4%</b>	<b>12.2%</b>	<b>-</b>

Source: Ministry of Commerce and Industry; Note: Data pertaining to 207 HSN Codes on Technical Textiles; \* Growth during 2020-21 & 2021-22, \*\* Growth during 2017-18 & 2020-21, # In 2021-22

From April 2021-March 2022, exports of Technical Textiles (US\$ 2843.93 billion) & particularly for Build tech Textiles (US\$ 48.69 million) amounting to the 2% of the total exports and with the growth of 172% which is highest in any segment of the technical textiles.

Source:- Textile Ministry of India: [https://ministryoftextiles.gov.in/sites/default/files/Technical\\_Textiles\\_E-Booklet.pdf](https://ministryoftextiles.gov.in/sites/default/files/Technical_Textiles_E-Booklet.pdf)



# Imports of Technical Textiles

#	Category	Imports (USD Million)						Growth Rate (%)		Share (%)#
		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Short Run*	Medium Run**	
1	Mobiltech	517.05	631.74	693.18	576.27	501.56	806.18	60.7%	6.3%	33%
2	Indutech	568.27	647.32	661.85	599.44	505.41	733.08	45.0%	3.2%	30%
3	Clothtech	236.29	261.61	276.20	270.70	214.53	281.20	31.1%	1.8%	12%
4	Homotech	257.59	364.84	342.67	331.92	196.29	257.56	31.2%	-8.3%	10%
5	Meditech	64.67	90.23	116.90	84.23	113.46	140.47	23.8%	11.7%	6%
6	Packtech	19.19	83.59	85.58	80.42	59.07	84.88	43.7%	0.4%	4%
7	Agrotech	13.55	18.62	25.80	30.18	36.30	49.64	36.7%	27.8%	2%
8	Protech	10.73	17.01	22.10	17.94	25.86	21.77	-15.8%	6.4%	1%
9	Geotech	10.71	14.51	14.19	16.37	17.07	23.14	35.6%	12.4%	1%
10	Sportech	15.05	18.20	18.78	13.40	16.84	23.42	39.1%	6.5%	1%
11	Buildtech	8.24	13.05	16.84	16.75	12.91	22.25	72.3%	14.3%	1%
12	Specialty Fibre	9.30	10.49	10.59	8.79	12.26	16.04	30.8%	11.2%	1%
<b>Grand Total</b>		<b>1730.64</b>	<b>2171.21</b>	<b>2284.68</b>	<b>2046.41</b>	<b>1711.56</b>	<b>2459.63</b>	<b>43.7%</b>	<b>3.2%</b>	<b>-</b>

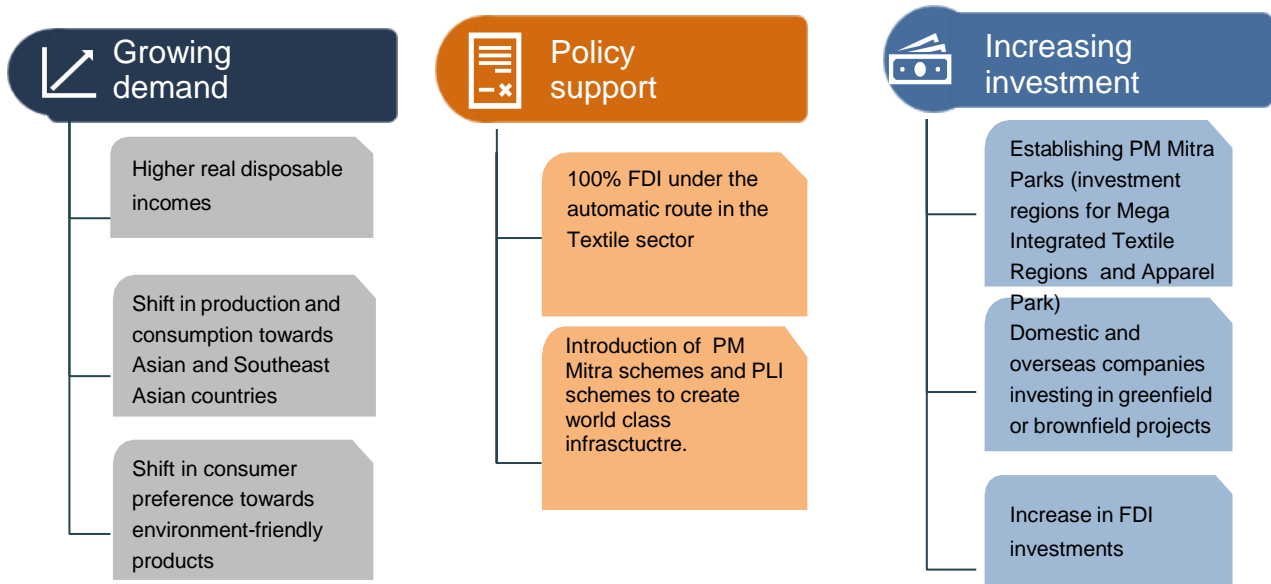
Source: Ministry of Commerce and Industry; Note: Data pertaining to 207 HSN Codes on Technical Textiles; \* Growth during 2020-21 & 2021-22, \*\* Growth during 2017-18 & 2020-21, # In 2021-22

Source: Textile Ministry of India

[https://ministryoftextiles.gov.in/sites/default/files/Technical\\_Textiles\\_E-Booklet.pdf](https://ministryoftextiles.gov.in/sites/default/files/Technical_Textiles_E-Booklet.pdf)

From April 2021-March 2022, imports of Technical Textiles (US\$ 2459.63 billion) & particularly for Build tech Textiles (US\$ 22.25 million) amounting to the 1% of the total imports.

## Strong demand and policy support driving investments:



Source: News Articles, PIB, Ministry of Textiles



## **GOVERNMENT INITIATIVES FOR TECHNICAL TEXTILE INDUSTRY**

Some of the Government initiatives in textile sectors are as given below:

**National Technical Textiles Mission (NTTM):** It is the flagship scheme of the Ministry of Textiles with an outlay of INR1480 crore and launched for the period 2020-21 to 2023-24. The objectives of the scheme are to improve penetration level of technical textiles and upgrade skillsets of the workforce, promote technical textiles' usage in various flagship schemes and missions, develop products, indigenous machineries and equipment for technical textiles in order to boost 'Make in India' as well as enable competitiveness of the industry, and position India as the global leader.

**Production Linked Incentive (PLI) scheme for textiles:** In order to promote domestic production of technical textiles, Production Linked Incentive (PLI) scheme was launched, in addition to MMF fabrics and MMF apparel. Of the 67 applications received, 17 applications received exclusively for technical textiles with projected investment of INR6,351 crore and 16 applications received in combination of technical textiles with projected investment INR5,517 crore.

**PM MITRA Scheme:** To boost the overall textile industry and value chain, especially MMF and technical textiles, Ministry of Textiles launched PM Mega Integrated Textile Regions and Apparel Parks (MITRA) Scheme with an overall outlay of INR4445 crore over a period of seven years up to 2027-28. Under the scheme, development of integrated large scale and modern industrial infrastructure on overall textile value chain including Spinning, Weaving, Processing, Garmenting, Textile Manufacturing, Processing, and Printing Machinery Industry, is focused. So far, 13 proposals have been submitted by different state governments including Maharashtra, Gujarat, Karnataka, Andhra Pradesh, Rajasthan, Odisha, Madhya Pradesh, Telangana, Punjab, Chhattisgarh, Uttar Pradesh, Bihar and Tamil Nadu.

**Quality Control Regulations:** 107 items identified to be brought under regulation to ensure quality: QCOs for 19 Geotech, 12 Protech, 22 Agrotech and 6 Meditech items are already under issue. 48 items of Meditech under CDSCO regulation.

**Mandatory usage of technical textiles:** Currently, 119 technical textiles products have been identified for mandatory usage across ten Central ministries/departments to derive the benefits of technical textiles in various fields of applications. So far, notifications for mandatory use have been issued for 68 products by the line ministries.

**Standards in technical textiles:** Development of more than 500 BIS standards for technical textiles. In addition, more than 50 standards are in the process of development.

**New HSN Codes:** In addition to 207 identified technical textiles items in 2019, development of 30+ new HSN Codes dedicated to technical textiles' products:

- 30 HSN Codes/Tariff Items introduced as per Finance Bill 2022
- 2 HSN Codes/Tariff Items revised as per Finance Bill 2022
- 5 HSN Codes as per the Seventh edition of the HSN nomenclature HS-2022 which came in effect on 1 January 2022.

Source: <https://www.ibef.org/blogs/vision-and-strategic-roadmap-for-technical-textiles>

**Citations:** News Articles, Press Releases of Government, Ministry of Textiles, IBEF and Invest India, Baseline Survey Technical Textiles Sector, 2022.



## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Red Herring Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page no. 28 for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page no. 155 and 187 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.*

## BACKGROUND OF COMPANY

Our Company was originally incorporated as a Public Limited Company namely “*R. Jain Capital Services Limited*” under the Companies Act, 1956 vide certificate of incorporation dated March 24<sup>th</sup>, 1994 issued by Registrar of Companies, Punjab, H.P. and Chandigarh bearing registration no. 014363. Our company was converted into Private Limited company, subsequently the Company’s name was changed to “*Diwakshi Enterprises Private Limited*”. Later on, the Company’s name was changed from “*Diwakshi Enterprises Private Limited*” to “*V S Yarns Private limited*” and fresh Certificate of Incorporation dated 16<sup>th</sup> March, 2004 was issued. Our Company’s name was changed from “*V.S Yarns Private Limited*” to “*Goflex Private Limited*” and fresh Certificate of Incorporation dated 11<sup>th</sup> October, 2023 was issued by Registrar of Companies, Chandigarh. Subsequently, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on October 13<sup>th</sup>, 2023. A fresh Certificate of Incorporation consequent to conversion was issued on November 10<sup>th</sup>, 2023 by the Registrar of Companies, Chandigarh and consequently, the name of our Company was changed from “*Goflex Private Limited*” to “*Goflex Limited*”. The Company’s Corporate Identification Number is U24100PB1994PLC014363.

## OUR BUSINESS

Goflex is engaged in the business of manufacturing of flex banner fabrics. Our Company is a supplier of different qualities of flex banners fabric. We have entered into a Contract Manufacturing arrangement with a more than a decade-old manufacturing company viz. Jindal Specialty Textiles Limited established in the state of Himachal Pradesh for manufacturing of Flex Banner Fabrics.

Goflex Limited imports raw materials like PVC Resin, TiO<sub>2</sub>, Warp knitted fabric from countries like China and South Korea. This depends upon the pricing available in the domestic market compared with international prices of the raw material.

Further, we are providing raw material to Jindal Specialty Textiles Limited for manufacturing the Flex Board Fabric. Raw Material like PVC Resin, DOP, TiO<sub>2</sub>, Stabiliser, Calcium carbonate, pigments, polyester warp knitted fabric etc. are sold to Jindal Specialty by our Company.

Goflex Limited deals with B2B customers only. They have a dealer network spanning the country. The material is supplied to all the dealers vide closed or open body trucks and further the dealers supply the material to smaller dealers or printing companies who further use the material to print advertisements or signages.

PVC Flex banners are used for indoor and outdoor advertisements. We supply rolls of PVC flex banners. Goflex Limited also exports PVC flex banners and PVC film to countries, such as Brazil, UAE and Singapore.






## BUSINESS LICENSE



<i>License</i>		<i>Date of Issue</i>	<i>Date of Expiry</i>
Importer Code	Exporter Code	26.04.2004	NA

*For other certificates & details, please refer page no. 204 of this draft red herring prospectus.*

## PRODUCT DESCRIPTION

S. No.	Item Name	GSM	Product
1.	Frontlit (FL)	220-440	
2.	Frontlit (C)	185-240	
3.	Blackback	280-440	



4.	Blackback(C)	220-260	
5.	Backlit(BL)	440-510	

## OUR COMPANY VISION AND MISSION

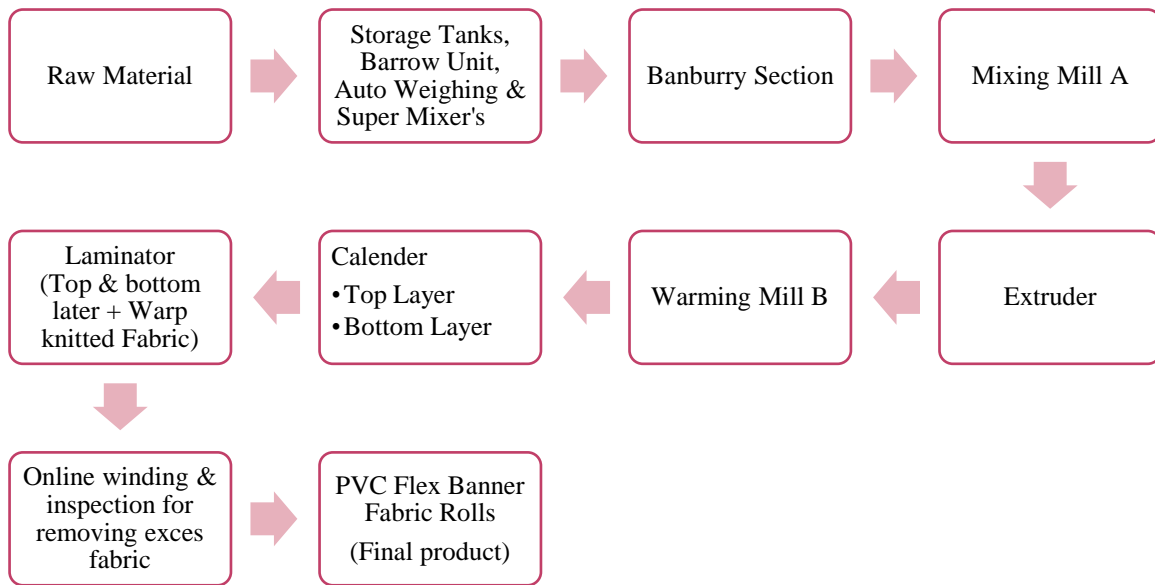
<b>Vision:</b>	<b>Mission:</b>
<ul style="list-style-type: none"> <li>➤ To be the world's best player in technical textiles with leadership position and to be a responsible value creator for all our stakeholders.</li> </ul>	<p>We will:</p> <ul style="list-style-type: none"> <li>➤ Actively explore potential markets &amp; products</li> <li>➤ Optimise use of all resources</li> <li>➤ Maximise people development initiatives</li> <li>➤ Be a knowledge leader and an innovator in our businesses</li> <li>➤ Exceed compliances and global quality standards</li> <li>➤ Be an ethical, transparent and responsible global organization</li> </ul>

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## PROCESS FLOW CHART FOR MANUFACTURING OF PVC FLEX BANNER



### Procedure:

**Step 1:** All raw materials (PVC Resin, DOP, TiO<sub>2</sub>, Stabiliser, Calcium carbonate etc.) are put in the storage tanks, barrow unit, Auto weighing & Super Mixers.

**Step 2:** All the materials are fed from storage tanks to Banbury Machine for cooking of materials to make a robust dough.

**Step 3:** This dough is then sent to mixing mill A for homogeneous mixing.

**Step 4:** Then after mixing this material is sent into extruder for filtration of materials.

**Step 5:** After filtration the material is sent to Warming mill B for heat up and thinning of materials.

**Step 6:** Then this material is sent to the most important machine Calendar which divides it into two different films that are – Top layer and bottom layer which have different configurations.

**Step 7:** From the Calendar, the process moves on to the Lamination machine where two layers of PVC films are Laminated together along with Warp knitted fabric in between them which gives the material structural rigidity.

**Step 8:** Once the Lamination process takes place, online inspection is done to ensure that the product is free from any defects and then the final finished product- PVC Flex banner is winded into rolls of 70 meters linear length.

## OUR COMPETITIVE STRENGTH

Our Company's Strengths are:

### 1. Experienced Management Team

Our management team includes professionals with experience in the Industry. Our Promoter Mr. Vishal Sharma brings his entrepreneurial vision and leadership which has been instrumental in growing and



sustaining our business operations. We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage. Our motivated team of management and key managerial personnel complement each other to enable us to deliver high levels of client satisfaction. For details regarding the education and experience of our promoter, please refer to chapter titled "**Our Management**" beginning on page no. 133 of the Draft Red Herring Prospectus.

## 2. Quality Assurance and Standards

Our Company believes in the quality in our process and products. We are committed to deliver good quality products in proper manner at all steps from manufacturing to dispatch. Our dedicated internal quality control team ensures the compliance with good standard practices. We give prime focus to providing quality material to our customers and follow high quality standards. Our Company has also entered into a Non-Disclosure Agreement with Jindal Specialty Textiles Limited for the Quality Assurance and Standards.

## 3. Cordial Relationships with our Suppliers

We have cordial relationship with our suppliers for supply of materials, which we believe provides us with the competitive advantage of effective and timely sourcing of raw materials. We also believe effective sourcing of materials ensures timely delivery of our products to our customers, thereby enhancing the value provided to our customers.

## SWOT ANALYSIS

STRENGTHS	WEAKNESS
<ul style="list-style-type: none"> <li>❖ Asset Light</li> <li>❖ Quality Standards</li> <li>❖ Well-established marketing network</li> </ul>	<ul style="list-style-type: none"> <li>❖ One Manufacturer</li> <li>❖ Not a Green Product</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>❖ Cost Savings</li> <li>❖ Market Advantage</li> <li>❖ Quality Control</li> <li>❖ Risk Mitigation</li> </ul>	<ul style="list-style-type: none"> <li>❖ Changes in Government Policies</li> <li>❖ Consumer Sentiments</li> <li>❖ New Competitor</li> </ul>

### STRENGTHS:

- (a) **ASSETS LIGHT:** As the business focuses on Asset light business model, there are some reasons why this approach can be strength the Company:
- Reduced Capital expenditure: Company has lower investment in physical assets means capital is tied up, allowing for flexibility in allocating resources to growth and innovation.
  - Flexibility: Companies can quickly adapt to market changes and opportunities without the constraints of managing large physical infrastructures.
  - Lower risks: Reduced risks associated with managing physical assets, such as depreciation, maintenance costs, and asset obsolescence.
  - Scalability: Easier to scale operations up or down based on demand, as there are fewer physical assets to manage and maintain.
- (b) **QUALITY STANDARDS:** Our Company also focuses on quality standards products. Here's how quality standards assist a company's strength:



- **Customer Satisfaction and Loyalty:** Adhering to high-quality standards ensures that products or services consistently meet or exceed customer expectations. Satisfied customers are more likely to become repeat buyers and advocates for the brand.
- **Market Differentiation:** High quality distinguishes a company from its competitors. It can become a key differentiator, allowing the company to command premium prices and increase market share.
- **Reputation and Trust:** Consistently delivering quality builds a strong reputation and trust among customers, suppliers, and other stakeholders. A good reputation can attract new customers, partners, and top talent.
- **Efficiency and Cost Savings:** Implementing quality standards often involves streamlining processes and reducing waste, leading to greater operational efficiency and cost savings. This can improve the bottom line and provide resources for further growth and innovation.
- **Compliance and Risk Management:** Adherence to industry standards and regulations minimizes the risk of legal issues, recalls, and other compliance-related problems. This reduces potential liabilities and protects the company's brand and financial health.

(c) **WELL ESTABLISHED MARKETING NETWORK:** Well-established marketing networking as strength of the company. Having well-established marketing networks can be a significant strength for a company. These networks can provide:

- **Broader Reach:** Access to a larger audience and potential customers.
- **Customer Trust:** Established networks often bring credibility and trustworthiness.
- **Cost Efficiency:** Lower marketing costs through established channels and relationships.
- **Market Insights:** Valuable data and feedback from network connections.

**Overall, a strong marketing network enhances a company's ability to promote its products or services effectively and sustain long-term growth.**

## WEAKNESSES

(a) **ONE MANUFACTURER:** Dependence on one manufacturer as the weakness of the company. Dependence on a single manufacturer can pose several significant risks for a company:

- **Supply Chain Disruptions:** If the manufacturer faces issues such as natural disasters, labor strikes, or production delays, it can severely impact the company's ability to meet customer demand.
- **Quality Control:** Relying on one manufacturer means that any issues with product quality can affect the entire product line, leading to potential recalls and damage to the company's reputation.
- **Financial Risk:** If the manufacturer experiences financial difficulties or goes out of business, the company may face significant disruptions and costs in finding and transitioning to a new supplier.
- **Dependency Risk:** Over-reliance on one manufacturer can create a dependency that makes it difficult for the company to diversify its supply chain in the future.

**OPPORTUNITIES:** Import substitute as opportunity of the company. Import substitution can be a significant opportunity for a company, as the Company avails the goods domestically instead of importing at higher rates. Here are some key aspects of this opportunity:

(a) **Cost Savings**

- **Reduced Import Costs:** By manufacturing locally, companies can save on import tariffs, shipping costs, and other related expenses.
- **Control Over Production Costs:** Companies have more control over production costs, including labor, materials, and overhead.



(b) **Market Advantage**

- **Reduced Dependence on Foreign Suppliers:** Companies can become more self-sufficient and less vulnerable to international supply chain disruptions.
- **Faster Response Times:** Local production can lead to quicker response times to market demands and changes.

(c) **Quality Control**

- **Customization and Flexibility:** Easier customization of products to meet local market preferences and requirements.

(d) **Risk Mitigation**

- **Supply Chain Stability:** Reducing reliance on international suppliers mitigates risks associated with geopolitical tensions, trade restrictions, and global supply chain disruptions.
- **Currency Fluctuations:** Companies are less exposed to risks from currency fluctuations when they source materials and produce goods domestically.

**LIST OF RAW MATERIAL**

S.No.	Name of the Raw Material
1.	PVC Resin
2.	DOP
3.	Calcium Carbonate
4.	TIO2
5.	Stabilizers
6.	OB Brightener
7.	Pigments
8.	Warp Knit Fabric

**RAW MATERIAL – IMPORTED**

S.No.	Name of the Supplier	Items	Name of the Country	Percentage of Raw Material Imported
1	United Raw Material Pte Ltd	PVC Resin	Singapore	1.22%
2	Zhejiang Yudi Textile Germent	Polyster Wrap Knitted Fabric	China	3.82%
3	Zhejiang Minglong Base Fabric	Polyster Wrap Knitted Fabric	China	0.28%



## SALES AND MARKETING STRATEGY



- I. **Estimating Demand:** The marketing team leverages historical data from the past 7-8 years to predict seasonal demand fluctuations, ensuring dispatches are aligned with market needs.
- II. **Finalizing Orders:** The company collaborates with buyers to determine the specific quantity, quality, and specifications required, tailored to corporate approvals and ongoing marketing campaigns.
- III. **Procuring Raw Materials:** Raw materials are sourced from the domestic or international markets based on current prices, future market trends, and logistics costs.
- IV. **Supplying to Manufacturer:** After thorough quality checks, the raw materials are supplied to Jindal Specialty Textiles Limited (JSTL) for the production of Flex Banner Fabrics.
- V. **Quality Control:** Finished products undergo rigorous testing for printability and gloss, with samples retained for a year to address any potential market complaints.
- VI. **Receiving Finished Products:** The company receives the finished Flex Banner Fabrics in roll form, organized by batch and production date.
- VII. **Warehouse Storage:** Finished products are systematically stored in the warehouse, categorized by batch numbers and GSM for efficient dispatch.
- VIII. **Marketing and Sales:** The marketing team ensures a steady flow of orders to meet production needs, considering seasonal demand variations.
- IX. **Order Dispatch and Payment Collection:** Products are dispatched nationwide, with precautions taken to protect them during transit. Payments are collected as per the terms agreed upon with the buyers.



## TOP CUSTOMERS & SUPPLIERS

### List of Customers:

(Amt in Lakhs)

Customer	For the period ended 29th February, 2024	%	For the period ended on 31 <sup>st</sup> March, 2023	%	For the period ended on 31 <sup>st</sup> March, 2022	%	For the period ended on 31 <sup>st</sup> March, 2021	%
Customer 1	9,619.03	39.53	8850.41	29.58	6567.54	38.68	3390.28	35.55
Customer 2	5,952.95	24.46	7640.49	25.54	1635.60	9.63	859.41	9.01
Customer 3	1,511.60	6.21	2139.00	7.15	1515.70	8.93	843.73	8.85
Customer 4	981.38	4.03	838.22	2.80	585.20	3.45	823.96	8.64
Customer 5	722.96	2.97	723.98	2.42	491.59	2.90	800.24	8.39
Customer 6	326.28	1.34	704.68	2.36	450.86	2.66	390.79	4.10
Customer 7	298.70	1.23	537.14	1.80	411.44	2.42	174.42	1.83
Customer 8	283.92	1.17	449.18	1.50	330.66	1.95	162.96	1.71
Customer 9	259.66	1.07	391.81	1.31	322.93	1.90	150.53	1.58
Customer 10	228.11	0.94	345.98	1.16	224.12	1.32	142.66	1.50
<b>Total</b>	<b>20,184.59</b>	<b>82.95</b>	<b>22620.90</b>	<b>75.61</b>	<b>12535.63</b>	<b>73.83</b>	<b>7738.97</b>	<b>81.15</b>

### List of Suppliers:

(Amt in Lakhs)

Suppliers	For the period ended 29th February, 2024	%	For the period ended on 31 <sup>st</sup> March, 2023	%	For the period ended on 31 <sup>st</sup> March, 2022	%	For the period ended on 31 <sup>st</sup> March, 2021	%
Supplier 1	17,582.09	75.48	19,977.74	69.73	8103.68	52.23	3111.35	34.31
Supplier 2	1,700.07	7.30	4,230.27	14.77	1021.55	6.58	1983.18	21.87
Supplier 3	1,411.17	6.06	882.86	3.08	957.79	6.17	752.12	8.29
Supplier 4	899.38	3.86	824.28	2.88	668.01	4.31	634.04	6.99
Supplier 5	468.88	2.01	757.67	2.64	408.93	2.64	566.87	6.25
Supplier 6	284.91	1.22	533.38	1.86	382.77	2.47	391.47	4.32
Supplier 7	178.88	0.77	250.99	0.88	314.60	2.03	278.33	3.07
Supplier 8	142.80	0.61	143.85	0.50	284.60	1.83	218.29	2.41
Supplier 9	112.06	0.48	111.29	0.39	253.86	1.64	209.83	2.31
Supplier 10	71.20	0.31	102.32	0.36	238.94	1.54	131.04	1.44
<b>Total</b>	<b>22,851.45</b>	<b>98.10</b>	<b>27,814.66</b>	<b>97.09</b>	<b>12634.73</b>	<b>81.44</b>	<b>8276.51</b>	<b>91.26</b>

## COLLABORATIONS

Except as disclosed in this Draft Red Herring Prospectus and in our normal course of business, we do not have any collaboration as on date



## EXPORT OBLIGATION

Our Company does not have any export obligations, as on date of this Draft Red Herring Prospectus.

## PLACE OF BUSINESS OF THE COMPANY

The Company having its offices in following places:

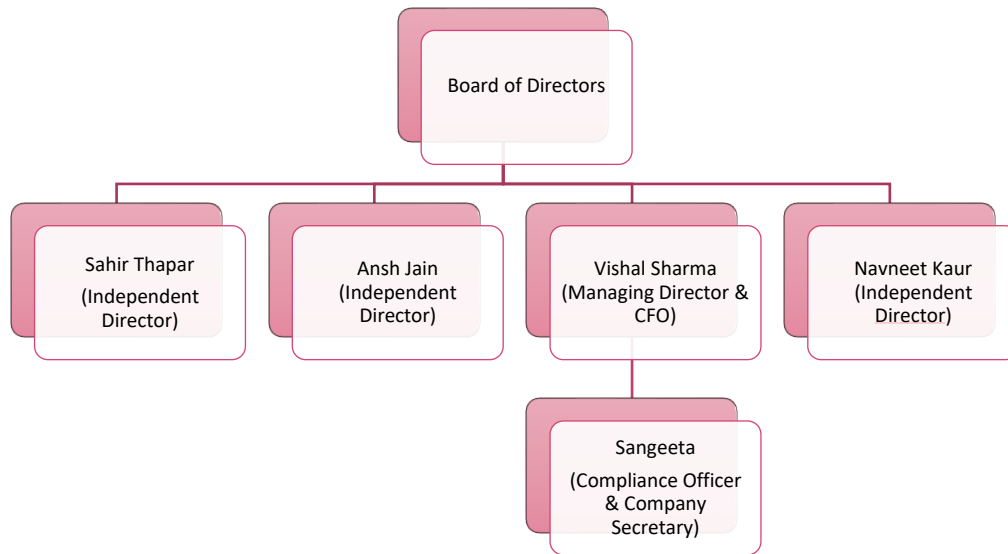
Sr. No.	Particulars	Address	Nature of Ownership	Name of Owner	Consideration
1.	Registered Office	B-XX-3369, Fifth Floor, Gurdev Nagar, Ferozepur Road, Ludhiana, Punjab, India, 141001	Leased since 22.11.2023	Lease and License Agreement between Goflex Limited (Lessee), Mr. Harmanmeet Singh Sandhu and Mr. Sarabjit Singh Sandhu (Lessor).	Rent: Rs. 1,40,000 per month
2.	Warehouse	Upmahal Ram Nagar, VPO Thathal, Tehsil Amb, District Una, Himachal Pradesh (Factory Shed)	Leased since 09.08.2021	Rent Deed between M/s Himachal Textile Park Limited (Land Lord) and V S Yarns Private Limited (Tenant) (erstwhile name of Goflex Limited)	Rent Rs. 5000 per month
3.	Warehouse	Khasra 109, Near Octroi, G.T. Road, Sahnewal, Ludhiana, Punjab-141116	Leased since 31.05.2024	Sub-lease Agreement between M/s JMBS India Express Cargo (Tenant) and Goflex Limited (Sub-Tenant)	Rent Rs. 11,000 per month

*Note: For detailed information of above-mentioned places of business please refer "Land & Properties" in section "Our Business" on page no. 118 of this Draft Red Herring Prospectus.*

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## ORGANIZATIONAL STRUCTURE



## UTILITIES & INFRASTRUCTURE FACILITIES

### Power

Our Company requires power for the normal requirement of our registered office for lighting, Computer systems etc.

Power supplies for our registered office is met through the electric supply by the Punjab State Power Corporation Limited. Thus, adequate power is available at B-XX- 3369, Fifth Floor, Gurdev Nagar, Ferozpur Road, Ludhiana, Punjab, India, 141001.

Power supplies for our warehouse at Una is met through the electric supply by the Himachal Pradesh Stated Electricity Board Limited. Further, adequate power is available at Upmahal Ram Nagar, VPO Thathal, Tehsil Amb, District Una, Himachal Pradesh.

Power supplies for our warehouse at Ludhiana is met through the electric supply by the Punjab State Power Corporation Limited. Thus, adequate power is available at Khasra 109, Near Octroi, G.T. Road, Sahnawal, Ludhiana, Punjab-141116.

## HUMAN RESOURCE

We believe that a motivated and empowered employee base is the key to our operations and business strategy. We currently have 11 full-time employees as of July 31, 2024. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, whereas execution of services within time and quality. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

## DEPARTMENT WISE BREAK-UP

OFFICES	
Description	No. of Employees





Management	1
Accounts	3
Commerical	3
Sales/ Marketing	2
<b>Total</b>	<b>11</b>

## FINANCIAL ACHIEVEMENTS OF THE COMPANY

(Amount in Lakhs)

Particulars	For the period ended 29 <sup>th</sup> February, 2024	For the period ended 31 <sup>st</sup> March, 2023	For the period ended 31 <sup>st</sup> March, 2022	For the period ended 31 <sup>st</sup> March, 2021
Share Capital	25.32	25.32	25.32	25.32
Reserves & Surplus	730.97	271.31	75.19	25.66
Net Worth	756.29	296.63	100.51	50.98
Total Income	24,345.67	29,918.25	16,978.67	9,536.26
PAT	459.65	196.13	49.53	3.76

## INSURANCE

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards.

Our Company has taken following insurance policies against any damage or loss:

S. No.	Insurer	Description of Property Insured	Tenure	Sum Insured
1.	SBI General Insurance Company Limited (Policy No. 0000000040461609)	Upmahal Ram Nagar, Vpo Thathal Tehsil Amb, Una, Himachal Pradesh-177211, India	From 21.08.2024 to 20.08.2025	Rs. 500 Lakhs

## GEOGRAPHICAL WISE REVENUE BREAKUP

The Geographical Wise Revenue Breakup of the company are as follows:



(Amount in Lakhs)

State Name	For the period ended 29 <sup>th</sup> February 2024	%	For the period ended 31 <sup>st</sup> March, 2023	%	For the period ended 31 <sup>st</sup> March, 2022	%	For the period ended 31 <sup>st</sup> March, 2021	%
<b>Domestic sales</b>								
Andhra Pradesh	540.38	2.22	744.42	2.49	324.55	1.91	163.75	1.72
Assam	213.62	0.88	313.08	1.05	149.21	0.88	23.89	0.25
Bihar	157.55	0.65	588.71	1.97	474.77	2.80	222.31	2.33
Chandigarh	161.83	0.67	191.99	0.64	95.54	0.56	9.88	0.10
Chhattisgarh	105.96	0.44	149.48	0.50	117.92	0.69	10.68	0.11
Delhi	1521.64	6.25	2,164.88	7.24	1,515.70	8.93	1,042.37	10.93
Gujarat	228.11	0.94	742.00	2.48	945.87	5.57	542.16	5.69
Haryana	9809.05	40.31	9,058.06	30.28	1,707.99	10.06	57.32	0.60
Himachal Pradesh	6062.43	24.91	7,788.89	26.03	6,671.36	39.29	3,474.50	36.43
Jammu & Kashmir	126.69	0.52	72.92	0.24	-	0.00	-	0.00
Jharkhand	192.86	0.79	301.59	1.01	102.41	0.60	8.51	0.09
Karnataka	70.95	0.29	292.00	0.98	47.00	0.28	83.59	0.88
Kerala	162.31	0.67	285.27	0.95	304.53	1.79	40.29	0.42
Madhya Pradesh	89.07	0.37	256.31	0.86	95.01	0.56	12.47	0.13
Maharashtra	537.67	2.21	1,201.15	4.01	307.13	1.81	26.10	0.27
Odisha	160.03	0.66	127.18	0.43	-	0.00	-	0.00
Punjab	866.23	3.56	1,015.66	3.39	869.68	5.12	3,019.75	31.67
Rajasthan	579.65	2.38	688.35	2.30	406.12	2.39	91.44	0.96
Tamil Nadu	435.68	1.79	841.40	2.81	352.87	2.08	136.86	1.44
Telangana	318.44	1.31	307.02	1.03	-	0.00	-	0.00
Uttar Pradesh	1342.52	5.52	1,820.01	6.08	1,128.29	6.65	494.32	5.18
Uttarakhand	111.65	0.46	118.27	0.40	50.73	0.30	2.51	0.03
West Bengal	540.29	2.22	403.18	1.35	197.70	1.16	12.97	0.14
<b>Total (A)</b>	<b>24,334.60</b>	<b>100.00</b>	<b>29,471.82</b>	<b>98.51</b>	<b>15,864.36</b>	<b>93.44</b>	<b>9,475.66</b>	<b>99.36</b>
<b>Export</b>								
Brazil	-	-	446.43	1.49	411.43	2.42	-	-
Singapore	-	-	-	-	117.66	3.45	-	-
UAE	-	-	-	-	585.20	0.69	60.60	0.64
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>446.43</b>	<b>1.49</b>	<b>1114.29</b>	<b>6.56</b>	<b>60.60</b>	<b>0.64</b>
<b>Grand Total (A+B)</b>	<b>24,334.60</b>	<b>100.00</b>	<b>29,918.25</b>	<b>100.00</b>	<b>16,978.65</b>	<b>100.00</b>	<b>9,536.26</b>	<b>100.00</b>

## COMPETITION

We believe that the principal factors affecting competition in our business include relative quality, client relationships, reputation, the abilities of employees, market focus, timely delivery and price of the services and products. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in our business.




## LAND & PROPERTIES

S. No.	Address	Area	Owned/Leased	Usage
1	B-XX- 3369, Fifth Floor, Gurdev Nagar, Ferozepur Road, Ludhiana, Punjab, India, 141001	2800 Sq Ft.	Rented	Registered Address
2	Upmahal Ram Nagar, Vpo Thathal Tehsil Amb, Una, Himachal Pradesh-177211, India	304.77 Sq. Ft.	Rented	Warehouse
3	Khasra 109, Near Octroi, G.T. Road, Sahnewal, Ludhiana, Punjab-141116	1100 Sq. Ft.	Rented	Warehouse

*For more details in respect to rented property, please refer page no. 114.*

## INTELLECTUAL PROPERTY RIGHTS

### TRADEMARK

Trademark	Date of Application	Application Number	Class	Current Status
	04.07.2024	6511627	22	Formalities Check Pass

## WEBSITE DETAILS

Domain name and ID	Sponsoring Registrar	Creation Date	Registry Expiry Date	Current Status
<a href="https://goflexltd.com">https://goflexltd.com</a>	GoDaddy	30.07.2024	05.10.2024	Active

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## KEY REGULATIONS AND POLICIES

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### RELATED TO OUR BUSINESS

#### **TEXTILES COMMITTEE ACT, 1963**

The Textiles Committee Act, 1963, is a significant legislative measure in India aimed at promoting and improving the quality of textiles and textile machinery. Enacted by the Parliament, the Act established the Textiles Committee, which is tasked with ensuring the quality standards of textiles, including jute and woolen textiles. This committee is empowered to conduct inspections, surveys, and examinations of textile products to ensure compliance with the established standards. Additionally, the Act mandates the committee to advise the central government on all matters relating to the development and regulation of the textile industry in India, thus playing a pivotal role in the industry's modernization and global competitiveness.

Beyond quality control, the Textiles Committee Act, 1963, also focuses on research and development within the textile sector. The committee is responsible for setting up and maintaining laboratories and research institutions for the testing and examination of textiles and textile machinery. Through these facilities, the committee undertakes various scientific studies and technological advancements to foster innovation in the textile industry. By establishing such a framework, the Act not only aims to improve the quality of textiles produced in India but also enhances the industry's ability to compete in international markets, contributing to the overall economic growth and development of the country.

#### **PACKAGING AND LABELLING REGULATIONS**

Packaging and labeling regulations play a crucial role in consumer protection and ensuring product safety. These regulations, typically enforced by government agencies, set out specific requirements for how products should be packaged and labeled before reaching the market. Key elements often include the accurate listing of ingredients, nutritional information, usage instructions, and safety warnings. For instance, food and beverage packaging must comply with stringent guidelines to prevent contamination and ensure that consumers are well-informed about what they are purchasing. These measures help prevent misleading claims, protect consumers from potential hazards, and ensure fair competition among manufacturers by maintaining consistent standards.

In addition to consumer safety, packaging and labeling regulations also address environmental concerns. Many jurisdictions have implemented rules to minimize packaging waste and promote the use of recyclable and biodegradable materials. These regulations encourage manufacturers to adopt sustainable practices, such as reducing excess packaging and using eco-friendly materials, which help mitigate the environmental impact of packaging waste. Clear labeling about the recyclability and proper disposal of packaging materials further empowers consumers to make environmentally responsible choices. By balancing safety, transparency, and environmental sustainability, these regulations contribute to a healthier and more informed consumer base while promoting responsible manufacturing practices.



## **THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (MSMED Act) seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in the manufacturing and production of goods pertaining to any industry specified in the first schedule to the industries (Development and Regulation) Act, 1951, the classification of an enterprise will be as follows:

1. where the investment in plant and machinery does not exceed twenty-five lakh rupees shall be regarded as a micro enterprise;
2. where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees shall be regarded as a small enterprise;
3. Where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees shall be regarded as a medium enterprise.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty-five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (—Council”). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

The MSMED act provides for appointment and establishment of National Board by the Central Government for MSME enterprise with its head office at Delhi. The Central Government may from time to time for the purpose of promotion and development of the MSME and to enhance the competitiveness in the sector organize such programmes, guidelines or instructions, as it may deem fit. In case of any offences under this act, no court inferior to that of Metropolitan Magistrate or Chief Metropolitan Magistrate shall try the offence under this act.

## **LABOURS LAWS**

India has extensive labour related legislations. Certain other laws and regulations that may be applicable to our Company in India include the following which is an indicative list of labour laws applicable to the business and operations of Indian companies:

- Employees Compensation Act, 1923;
- Employees (Provident Fund and Miscellaneous Provisions) Act, 1952;
- Employees State Insurance Act, 1948;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing orders) Act 1946;
- Child Labour (Prohibition and Regulation) Act, 1986
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- The Equal Remuneration Act, 1976;



- Contract Labour (Regulation and Abolition) Act, 1970;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Trade Unions Act, 1926;
- The Apprentices Act, 1961;
- The Factories Act, 1948;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and
- The Public Liability Insurance Act, 1991 and the Public Liability Insurance Rules, 1991.

## **TAXATION LAWS**

### **INCOME-TAX ACT, 1961**

The Government of India imposes an income tax on taxable income of all persons including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

### **THE GOODS AND SERVICE TAX ACT, 2017**

The Goods and Services Tax (“GST”) is levied on supply of goods and services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 (“CGST”) relevant State’s Goods and Services Act, 2017 (“SGST”), Union Territory Goods and Services Act, 2017 (“UTGST”), Integrated Goods and Services Act, 2017 (“IGST”), Goods and Services (Compensation to States) Act, 2017 and various rule made thereunder.

### **CUSTOMS ACT, 1962**

The Customs Act, 1962 is the basic statute which governs entry or exit of different categories of vessels, aircrafts, goods, passengers etc., into or outside the country. The Act extends to the whole of the India.

## **INTELLECTUAL PROPERTY LAWS**

### **TRADEMARKS ACT, 1999 (TM ACT)**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.



## **COPYRIGHTS ACT, 1957**

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

## **PATENTS ACT, 1970 (Patent Act)**

The purpose of the Patent Act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first invention in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

## **PROPERTY RELATED LAWS**

### **TRANSFER OF PROPERTY ACT, 1882**

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by operation of law, is governed by the Transfer of Property Act, 1882. This Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: the transfer of ownership in property for a price paid or promised to be paid.
- Mortgage: the transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The Act recognizes several forms of mortgages over a property.
- Charges: transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g., decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: the transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

### **REGISTRATION ACT, 1908 (THE “REGISTRATION ACT”)**

The Registration Act has been enacted with the objective of providing public notice of the execution of documents affecting, inter alia, the transfer of interest in immovable property. The purpose of the



Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the TP Act or as collateral), unless it has been registered. Evidence of registration is normally available through an inspection of the relevant land records, which usually contains details of the registered property. Further, registration of a document does not guarantee title of land.

## **STATE LAW**

### **THE PUNJAB SHOPS AND COMMERCIAL ESTABLISHMENTS ACT, 1958**

It is a state enactment and provides for the regulation of conditions of work and employment in shops and commercial establishments which includes IT and ITE / BPO establishments. A registration has to obtain by every establishment covered under the Act by the owner / authorized person. The safety health and welfare provisions provided in the Act have to be implemented by the employer in such establishments.

## **ENVIRONMENTAL REGULATIONS**

### **THE ENVIRONMENT PROTECTION ACT, 1986 (“ENVIRONMENT PROTECTION ACT”)**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### **AIR (PREVENTION AND CONTROL OF POLLUTION) ACT, 1981**

Air (Prevention and Control of Pollution) Act 1981(—the Act) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

### **WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974**

The Water (Prevention and Control of Pollution) Act 1974 (—the Act) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per





the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

### **NATIONAL ENVIRONMENTAL POLICY, 2006**

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

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

### **THE HAZARDOUS AND OTHER WASTES (MANAGEMENT & TRANS-BOUNDARY MOVEMENT) RULES, 2016**

Hazardous Waste Management Rules are notified to ensure safe handling, generation, processing, treatment, package, storage, transportation, use reprocessing, collection, conversion, and offering for sale, destruction and disposal of Hazardous Waste. These Rules came into effect in the year 1989 and have been amended later in the years 2000, 2003 and with final notification of the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 in supersession of former notification. The Rules lay down corresponding duties of various authorities such as MoEF, CPCB, State/UT Govts., SPCBs/PCCs, DGFT, Port Authority and Custom Authority while State Pollution Control Boards/ Pollution Control Committees have been designated with wider responsibilities touching across almost every aspect of Hazardous wastes generation, handling and their disposal.

## **FOREIGN INVESTMENT LAWS**

### **FOREIGN EXCHANGE MANAGEMENT ACT, 1999 AND RULES THEREUNDER**

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



## **FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992**

The FTDR is the main legislation concerning foreign trade in India. The FTDR, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given wide powers to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTDR read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer-exporter code (“IEC”) number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract a penalty under the FTDR.

## **THE CONSERVATION OF FOREIGN EXCHANGE AND PREVENTION OF SMUGGLING ACTIVITIES ACT, 1974**

COFEPOSA came into force for the reason to provide preventive detention and to protect and augment the guidelines of foreign exchange. The Act also aims to control smuggling activities and other issues in relation to these activities. COFEPOSA confers power on the Central and the State Governments to issue orders for detaining a person if it is satisfied that the person has acted detrimental to the protection of foreign exchange. The Government shall also issue an order of detention on the ground that the person has engaged in the activity of smuggling goods, assists any person in smuggling goods, transports or conceals such goods, harbouring any person employed in the smuggling activities or does any other activity related with smuggling. Such an order shall be issued by the Joint Secretary to the Central Government or Secretary to the State Government or any senior officer authorized by the Government.

## **FOREIGN DIRECT INVESTMENT**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The Reserve Bank of India (“RBI”) also issues Master Directions Foreign Investment in India and updates the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who are eligible to make investments in India, for which eligibility criteria are prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

## **IN GENERAL**

### **COMPANIES ACT, 2013**

The Companies Act, 2013 deals with incorporation and post incorporation. The conversion of private



company into public company and vice versa is also laid down under the Companies Act, 2013. The provisions of this act shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e. One Person Company. The provisions relating to formation and allied procedures are mentioned in the act.

### **THE COMPETITION ACT, 2002**

The Competition Act, 2002 (the –Competition Act) prohibits anticompetitive agreements, abuse of dominant positions by enterprises and regulates —combinations in India. The Competition Act also established the Competition Commission of India (the –CCI) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds.

There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **CONSUMER PROTECTION ACT, 1986 (COPRA)**

The Consumer Protection Act, 1986 (COPRA) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of these authorities attracts criminal penalties.

### **THE INDIAN CONTRACT ACT, 1872 (“CONTRACT ACT”)**

The Contract Act 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **TAXES ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS**

Every person engaged in any profession, trade, callings, and employment is liable to pay tax at the rate prescribed by the respective state government. It is considered necessary to levy tax on profession, trade callings and employment to augment state revenues. Every state is empowered by the Constitution of India



to make laws relating to levy of taxes on professions, trades, callings, and employments that shall serve as the governing provisions in that state.

### **THE INDIAN STAMP ACT, 1899**

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. The Indian Stamp Act, 1899 (the —Stamp Act) provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state. Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

### **THE SALE OF GOODS ACT, 1930**

The Sale of Goods Act, 1930 governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyers and sellers, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

### **THE SPECIFIC RELIEF ACT, 1963**

The Specific Relief Act is complementary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for the purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means the Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to another party.

### **NEGOTIABLE INSTRUMENTS ACT, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheques not being honored by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.



## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was originally incorporated as a Public Limited Company namely “*R. Jain Capital Services Limited*”\*\* under the Companies Act, 1956 vide certificate of incorporation dated March 24<sup>th</sup>, 1994 issued by Registrar of Companies, Punjab, H.P. and Chandigarh bearing registration no. 014363. Our company was converted into Private Limited company, subsequently to which Company’s name was changed to “*Diwakshi Enterprises Private Limited*”. Later on, Our Company’s name was changed from “*Diwakshi Enterprises Private Limited*” to “*V S Yarns Private limited*” and fresh Certificate of Incorporation dated 16<sup>th</sup> March, 2004 was issued. Our Company’s name was changed from “*V.S Yarns Private Limited*” to “*Goflex Private Limited*” and fresh Certificate of Incorporation dated 11<sup>th</sup> October, 2023 was issued by Registrar of Companies, Chandigarh. Subsequently our Company was converted into Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on October 13<sup>th</sup>, 2023. A fresh Certificate of Incorporation consequent to conversion was issued on November 10<sup>th</sup>, 2023 by the Registrar of Companies, Chandigarh and consequently the name of our Company was changed from “*Goflex Private Limited*” to “*Goflex Limited*”. The Company’s Corporate Identification Number is U24100PB1994PLC014363.

Mr Vishal Sharma and Zeta Appnomics Pvt. Ltd. are current Promoter’s of our Company. For further details of our promoter please refer the chapter titled “*Our Promoter*” and “*Our Promoter Group*” beginning on page no. 147 and 151 of this Draft Red Herring Prospectus

*\*\*Inspection was conducted at the Registrar of Companies office to inspect the physical documents related to our company but even after multiple attempts the documents related to Memorandum of Association, Articles of Association of Goflex Limited prior to year 2006 couldn’t be located. For more detail please refer risk factor 11 at page no. 33 of this Draft Red Herring Prospectus.*

### ADDRESS OF REGISTERED OFFICE, BRANCH OFFICE AND FACTORY OFFICE

1.	Registered Office	B - XX - 3369, Fifth Floor, Gurdev Nagar, Ferozepur Road, Ludhiana, Punjab, India, 141001
2.	Warehouse	Upmahal Ram Nagar, VPO Thathal, Tehsil Amb, Distt. Una, Himachal Pradesh
3.	Warehouse	Khasra 109, Near Octroi, G.T. Road, Sahnewal, Ludhiana, Punjab-141116

### CHANGE OF REGISTERED OFFICE

There is no change in the registered office of our Company except as mention below:

DATE OF CHANGE	FROM	TO	REASON
October 1 <sup>st</sup> , 2012	B-XIX-158/7 Major Gurdial Singh Road, Ludhiana, Punjab, India	2 <sup>nd</sup> Floor, Sohan Palace, 455, Mall Road, Ludhiana, Punjab-141001	Administrative purpose
September 6 <sup>th</sup> , 2013	2 <sup>nd</sup> Floor, Sohan Palace, 455, Mall Road, Ludhiana, Punjab-141001	Plot No. 92, Oswal Road, Industrial Area-A, Ludhiana, Punjab, India, 141003	Administrative purpose



July 20 <sup>th</sup> , 2015	Plot No. 92, Oswal Road, Industrial Area-A, Ludhiana, Punjab, India, 141003	Mandiala Kalan, P.O Bija, Teh Khanna Dist. Ludhiana, Khanna, Punjab, India-141412	For better working operations and for future growth of the Company.
October 26, 2020	Mandiala Kalan,P.O Bija, Teh Khanna Dist. Ludhiana, Khanna, Punjab, India-141412	5 <sup>th</sup> Floor, Kismat Complex, Miler Ganj, Ludhiana, Punjab, India-141003	For better working operations and for future growth of the Company.
December 1 <sup>st</sup> , 2020	5 <sup>th</sup> Floor, Kismat Complex, Miler Ganj, Ludhiana, Punjab, India-141003	B-19-122/2,First Floor, Golden Plaza, Mall Road, Civil Lines, Ludhiana, Punjab, India-141001	Administrative purpose
July 28 <sup>th</sup> , 2022	B-19-122/2,First Floor, Golden Plaza, Mall Road, Civil Lines, Ludhiana, Punjab, India-141001	B-XX-3369,Fifth Floor, Gurdev Nagar, Ferozepur Road, Ludhiana, Punjab, India-141001	Administrative purpose

## MAJOR EVENTS AND MILESTONES IN THE HISTORY OF THE COMPANY

There are no major events in the company since its incorporation except as mentioned below:

Year	Key Events
1994	Our Company was incorporated as a Public Limited Company under the name “R. Jain Capital Services Limited”.
-	Our Company was converted into Private Limited Company under the name “Diwakshi Enterprises Private Limited”.
2004	Our Company’s name was changed to “V.S Yarns Private Limited”.
2023	Our Company’s name was changed to “Goflex Private Limited”.
2023	Our Company was converted into Private Limited Company under the name “Goflex Limited”.

## MAIN OBJECT OF OUR COMPANY

1. To manufacture, buy, sell, import, export and otherwise deal in all kinds of yarns.
2. To carry on in India or abroad the business of manufacturing, processing, spinning, knitting, weaving, dyeing, garmenting, importing, exporting, trading and otherwise dealing in all types and descriptions of yarns, fibres, textiles, PVC Laminated Products, PVC Flex Sheets &Tarpaulins and their products.

## AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

Since incorporation, the following changes have been made to the Memorandum of Association of the Company:

Date of Meeting	Type of Meeting	Amendments
2004	Extra Ordinary	<b>Alteration in name clause:</b>



	General Meeting	Our Company's name was changed from " <i>Diwakshi Enterprises Private Limited</i> " to " <i>V.S Yarns Private Limited</i> ".
30/11/2013	Extra Ordinary General Meeting	<b>Alteration in Capital Clause:</b> Our Company's Authorised share capital increased from Rs. 25,50,000/- divided into 2,55,000 Equity Shares of Rs. 10/-each to Rs. 4,25,50,000/- divided into 42,55,000 Equity Shares of Rs. 10/-each.
01/01/2020	Extra Ordinary General Meeting	<b>Alteration in Object Clause:</b> Alteration of the main objects of the Company by inserting new object number 2.
18/03/2020	Extra Ordinary General Meeting	<b>Alteration in Object Clause:</b> Alteration of the main objects of the Company by inserting new object number 3.
06/09/2023	Extra Ordinary General Meeting	<b>Alteration in Object Clause:</b> Alteration of the main objects of the Company by deletion of object number 3.
22/09/2023	Extra Ordinary General Meeting	<b>Alteration in name clause:</b> Our Company's name was changed from " <i>V.S Yarns Private Limited</i> " to " <i>Goflex Private Limited</i> ".
13/10/2023	Extra Ordinary General Meeting	<b>Alteration in Name Clause pursuant to Conversion:</b> Our Company was converted into Public Limited Company and consequently, the name of our Company was changed from " <i>Goflex Private Limited</i> " to " <i>Goflex Limited</i> ".

## DETAILS OF BUSINESS OF OUR COMPANY

For details on the description of our company's activity, business model, marketing strategy, strength, completion of business, please see 'Our Business', 'Management Discussion and Analysis of Financial Conditions' and 'Basis for Issue Price' on page no. 105, 187 and 83 respectively.

## CAPITAL RAISING (DEBT/EQUITY)

For details in relation to our capital raising activity through equity, please refer to the chapter titled "Capital Structure" beginning on page no. 64 of the Draft Red Herring Prospectus.

*For a description of our company's Debt facility, see, "Statement of Financial Indebtedness" on page no. 185 of the Draft Red Herring Prospectus.*

## DEFAULT OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTION /BANKS

There have been no defaults or rescheduling of borrowings with any financial institutions / Banks as on the date of the Draft Red Herring Prospectus. Furthermore, none of the Company's loan from any of the financial institutions / Banks have been converted into equity in the past.



### **TIME AND COST OVERRUNS IN SETTING UP OF PROJECT**

There's been no time / cost overrun in setting up of Project by our Company

### **REVALUATION OF ASSETS**

Our Company has revalued its assets since incorporation to know the updated value of property.

### **LOCK-OUT OR STRIKES**

There have been no lock-outs or strikes in our company since incorporation.

### **CHANGE IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS**

There has been no change in business activities of our company during last five (5) years from the date of this Draft Red Herring Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned below:

<b>Date of Meeting</b>	<b>Type of Meeting</b>	<b>Amendments</b>
01/01/2020	Extra Ordinary General Meeting	<b>Alteration in Object Clause:</b> Alteration of the main objects of the Company by inserting new object number 2.
18/03/2020	Extra Ordinary General Meeting	<b>Alteration in Object Clause:</b> Alteration of the main objects of the Company by inserting new object number 3.
06/09/2023	Extra Ordinary General Meeting	<b>Alteration in Object Clause:</b> Alteration of the main objects of the Company by deletion of object number 3.

### **HOLDING COMPANY OF OUR COMPANY**

As on the date of this Draft Red Herring Prospectus, Zeta Appnomics Private Limited is our Holding Company. For details with respect to Zeta Appnomics Private Limited, refer the Chapter titled, "Our Promoters" on page no. 147.

### **SUBSIDIARY COMPANY OF OUR COMPANY**

Our Company does not have any Subsidiary Companies as on the date of filing of this Draft Red Herring Prospectus.

### **INJUNCTIONS OR RESTRAINING ORDERS**

Our Company is not operating under any injunctions or restraining orders.

### **DETAILS REGARDING ACQUISITION OF BUSINESS / UNDERTAKING, MERGERS, AMALGAMATION, REVALUTAION OF ASSETS ETC**

There are no Merger, Amalgamation etc. with respect to our Company and we have not acquired any





business undertaking in last five years.

#### **NUMBER OF SHAREHOLDER OF OUR COMPANY**

Our Company has 8 (Eight) shareholders as on date of the Draft Red Herring Prospectus. For further details on the Shareholding Pattern of our Company, please refer to the Chapter titled “Capital Structure” beginning on page 64 of the Draft Red Herring Prospectus.

#### **DETAILS OF PAST PERFORMANCE**

For details of the Change of management, please see chapter titled “Our Management” On page no. 133 of the Draft Red Herring Prospectus.

#### **DETAILS OF FINANCIAL PERFORMANCE**

For details in relation to our financial performance in the previous three financial years, including details of non- recurring items of income, refer to section titled “Financial Information” beginning on page no. 155 of this Draft Red Herring Prospectus.

#### **SHAREHOLDER AGREEMENT**

Our company has not entered into any shareholders agreement as on the date of filing of this Draft Red Herring Prospectus.

#### **COLLABORATION AGREEMENT**

As on the date of the Draft Red Herring Prospectus, Our Company is not party to any collaboration agreement.

#### **RESTRICTIVE COVENANTS IN LOAN AGREEMENTS**

Our Company has taken Credit facilities from any the Banks / Financial Institutions but no restrictive covenants applicable on company. There are no loan agreements executed by our Company as on the date of filing this Draft Red Herring.

#### **STRATEGIC / FINANCIAL PARTNERS**

Our Company does not have any Strategic / Financial Partner as on the date of this Draft Red Herring Prospectus.

#### **OTHER AGREEMENTS**

➤ **Non-Compete Agreement**

Our Company has not entered into any compete Agreement on the date of this Draft Red Herring Prospectus.

➤ **Joint Venture Agreement**

Our Company has not entered into any Joint Venture Agreement on the date of this Draft Red Herring Prospectus.

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

As per of the Articles of Association, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on our board, subject to provisions of Sections 149 of Companies Act, 2013 and other applicable rules.

As on date of this Draft Red Herring Prospectus, our Board consists of 4(Four) Directors, out of which 1 (One) is Executive Director and 3 (Three) are Non-Executive Directors who all are Independent Director. Mr. Vishal Sharma is the Managing Director of our company.

S.NO	NAME	DIN	CATEGORY	DESIGNATION
1	Vishal Sharma	02151917	Executive	Managing Director
2	Sahir Thapar	09607418	Non-Executive	Independent Director
3	Navneet Kaur	10279779	Non-Executive	Independent Director
4	Ansh Jain	10331488	Non-Executive	Independent Director

The following table sets forth the details regarding the Board of Directors as on the date of this Draft Red Herring Prospectus:

S.NO.	Name, Father's Name, Age, Date of Birth, Address, Designation, Qualification, Experience, Occupation, Nationality, Term and DIN	Date of Appointment/ Re- Appointment	Other Directorship / Partner
1	<p><b>Name:</b> Vishal Sharma</p> <p><b>Father's Name:</b> Mahesh Chander Sharma</p> <p><b>Age:</b> 46 years</p> <p><b>Date Of Birth:</b> 06/06/1978</p> <p><b>Address:</b> House. No. B-19,158/7, Major Gurdial Singh Road, Civil Line, Bharat Nagar Chowk, Ludhiana-141001, Punjab.</p> <p><b>Designation:</b> Managing Director</p> <p><b>Qualification:</b> Master of Business Administration in Finance from Guru Nanak Dev University, Punjab</p> <p><b>Experience:</b> 18 Years</p> <p><b>Occupation:</b> Business</p>	<p><b>Date of Appointment as additional Director:</b> 06/08/2021</p> <p><b>Date of Appointment as MD:</b> 15/07/2023</p>	Zeta Appnomics Private Limited



	<p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of 5 years from 15/07/2023</p> <p><b>DIN:</b> 02151917</p>		
2	<p><b>Name:</b> Sahir Thapar</p> <p><b>Father's Name:</b> Arun Thapar</p> <p><b>Age:</b> 40 years</p> <p><b>Date Of Birth:</b> 25/08/1983</p> <p><b>Address:</b> House No-1060, Sant Street, Adj Old DMC Hospital, Civil Lines, Ludhiana-141001, Punjab</p> <p><b>Designation:</b> Independent Director</p> <p><b>Qualification:</b> Bachelor of Commerce from Punjab University</p> <p><b>Experience:</b> 10 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 Years</p> <p><b>DIN:</b> 09607418</p>	<p><b>Date of Appointment as Additional Director:</b> 18/06/2022</p> <p><b>Date of Appointment as Independent Director:</b> 30/09/2022</p>	NIL
3	<p><b>Name:</b> Navneet Kaur</p> <p><b>Father's name:</b> Mohinder Pal Singh</p> <p><b>Age:</b> 33 years</p> <p><b>Date Of Birth:</b> 21/03/1991</p> <p><b>Address:</b> House No. 536 Ward No. 60, Phase 2, Urban Estate, Dugri, Ludhiana-141003, Punjab</p> <p><b>Designation:</b> Independent Director</p>	<p><b>Date of Appointment as Additional Director:</b> 18/08/2023</p> <p><b>Date of Appointment as Independent Director:</b> 30/09/2023</p>	Forge Auto International Limited



	<p><b>Qualification:</b> Bachelor of Commerce from Punjab University and Company Secretary.</p> <p><b>Experience:</b> 6 Years</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of 5 Years from 30/09/2023 to 29/09/2028</p> <p><b>DIN:</b> 10279779</p>		
4.	<p><b>Name:</b> Ansh Jain</p> <p><b>Father's Name:</b> Manoj Jain</p> <p><b>Age:</b> 33 years</p> <p><b>Date Of Birth:</b> 17/07/1991</p> <p><b>Address:</b> House No.90-D Bhai Randhir Singh Nagar, Ludhiana-141003, Punjab</p> <p><b>Designation:</b> Independent Director</p> <p><b>Qualification:</b> Bachelor Of Commerce from Punjab University and Company Secretary.</p> <p><b>Experience:</b> 6 Years</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of 5 Years from 30/09/2023 to 29/09/2028</p> <p><b>DIN:</b>10331488</p>	<p><b>Date of Appointment as Additional Director:</b> 26/09/2023</p> <p><b>Date of appointment as Independent Director:</b> 30/09/2023</p>	<p>1. Zeta Appnomics Private Limited.</p> <p>2. Forge Auto International Private Limited</p>



## **BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY**

### **Mr. Vishal Sharma (Managing Director)**

Mr. Vishal Sharma aged 46 years is Managing Director and founder promoter of company. He possesses Master of Business Administration from Guru Nanak Dev University and B.Com. from Arya College, Ludhiana.

He has approximately 18 years of business experience. He has expertise in the field of marketing and finance. He has been instrumental in the overall business development and growth of our company. He is responsible for day-to-day planning, execution and Administration of our company.

### **Mr. Sahir Thapar (Independent Director)**

Mr. Sahir Thapar, aged 40 years, is the Non-Executive and Independent Director of our Company. He possesses Bachelors in Commerce from Punjab university. He is engaged in the business of Real Estate Consultancy.

He has approximately 10 years of experience in real estate consultancy.

### **Mrs. Navneet Kaur (Independent Director)**

Mrs. Navneet Kaur, aged 33 years, is the Non-Executive and Independent Director of our Company. He possesses Bachelor of Commerce from Punjab University and is also a Company Secretary. She is currently working as a whole time Company Secretary of Fleming Laboratories Limited, a public company.

She has experience of more than 6 years in the field of corporate law and corporate services of India.

### **Mr. Ansh Jain (Independent Director)**

Mr. Ansh Jain, aged 33 years, is the Non-Executive and Independent Director of our Company. He possesses Bachelor of Commerce from Punjab University and he is also an associate member of Institute of Company Secretaries of India. He is currently working as a whole time Company Secretary of Eco Spin Yarns Private Limited.

He has experience of more than 6 years in the field of corporate law and corporate services of India.

#### **Notes:**

- 1) None of the above-mentioned Directors are on the RBI List of Willful defaulters as on the date of this Draft Red Herring Prospectus.
- 2) None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our company are debarred by SEBI from accessing the capital market.
- 3) None of the Promoters, Directors or persons in control of our company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

## **FAMILY RELATIONSHIP BETWEEN DIRECTORS**

Except as stated below, none of the Director of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:



Sr. No	Name of the Director	Designation	Relationship with other Directors
Not Applicable			

**Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension**

None of our directors is/was a director of any listed company during the five years before the date of filing of this Draft Red Herring Prospectus, whose shares have been/were suspended from being traded on any stock exchange.

**Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for suspension**

None of our directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

**Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors was selected as a director or member of senior management.**

There is no arrangement or understanding with our major shareholders, customers, suppliers or any other entity pursuant to which any of our Directors or Key Managerial Personnel were selected as a Director or member of the senior management.

**TERMS AND CONDITIONS OF EMPLOYMENT OF THE DIRECTORS**

**1.Executive Directors**

<b>Name</b>	<b>Mr. Vishal Sharma</b>
<b>Designation</b>	Managing Director
<b>Period</b>	5 years from 15/07/2023
<b>Date of approval of shareholders</b>	NA
<b>Remuneration</b>	Rs. 18/- lacs P.A.
<b>Perquisite</b>	Re-imbusement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as managing director.

**1. Non-Executive Director**

Non-Executive Independent Directors are not entitled to any remuneration except sitting fees for attending meetings of the Board or of any committee of the Board. They are entitled to a sitting fee for attending the meeting of the Board and the committee thereof respectively.

**Note: No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing ratio**



## SHAREHOLDING OF THE DIRECTORS IN OUR COMPANY

As per Articles of Association of our company, a director is not required to hold any shares in our Company to qualify him for the office of Director of our company. The following table details the shareholding in our company of our Directors in their personal capacity, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of Director	No. of Equity Shares held	% of pre-issue paid-up Equity Share capital in our company
1.	Vishal Sharma	10,62,600	19.98

## INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Issue. All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, or other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

### *Interest in promotion of Our Company*

Except Promoters, none of our Directors have any interest in the promotion of our Company.

### *Interest in the property of Our Company*

Our Directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

### *Interest in the business of Our Company*

Save and except as stated otherwise in “Note 27: Related Party Transaction” in the chapter titled “Financial Information” on page number 176 of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus. Our Directors



are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

#### ***Details of service contracts***

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

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

#### ***Bonus or profit-sharing plan for the directors***

There is no bonus or profit-sharing plan for the Directors of our Company.

#### ***Contingent and deferred compensation payable to directors***

No Director has received or is entitled to any contingent or deferred compensation.

#### ***Other indirect interest***

Except as stated in chapter titled “*Financial Information*” beginning on page number 155 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

#### ***Borrowing power of the Board***

In terms of the special resolution passed at an Extra- Ordinary General Meeting of our Company held on October 25, 2023 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, consent of members of the Company has been accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and free reserve and securities premium account, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 50 Cr (Rupees Fifty Crore Only) at any time.

### **CHANGES IN THE BOARD OF DIRECTORS IN THE LAST 3 YEARS**

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

<b>S. No</b>	<b>Name of Director</b>	<b>Date and Nature of change</b>	<b>Reason for change</b>
1.	Jai Inder Pal Singh	Resigned from Independent Directorship w.e.f 26/02/2022	Resigned due to unavoidable circumstances.
2.	Kanik Sharma	Resigned from Independent Directorship w.e.f. 06/08/2021	Resigned due to Pre-occupation.
3.	Sahir Thapar	Appointed as Additional Independent Director w.e.f 18/06/2022. Regularised as Independent Director	To ensure better Corporate Governance.





		w.e.f. 30/09/2022	
4.	Navneet Kuar	Appointed as Additional Independent Director w.e.f 18/08/2023 Regularised as Independent Director w.e.f. 30/09/2023	To ensure better Corporate Governance.
5.	Ansh Jain	Appointed as Additional Independent Director w.e.f 26/09/2023 Regularised as Independent Director w.e.f. 30/09/2023	To ensure better Corporate Governance.
6.	Vishal Sharma	Appointed as an Additional Non-Executive Director w.e.f 06/08/2021. Regularised as Non- Executive Director w.e.f 30/11/2021. Designaton changed to Managing director w.e.f 15/07/023.	To ensure better Corporate Governance.

## MANAGEMENT ORGANIZATIONAL STRUCTURE

For Management Organizational Structure please refer chapter titled “Our Business” on page number 105 of this Draft Red Herring Prospectus.

## CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 23, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

## COMMITTEES OF THE BOARD

In terms of SEBI LODR Regulations and the provisions of the Companies Act, 2013, our Company has following committees of the Board:



## AUDIT COMMITTEE

### Composition of the Audit Committee

The Audit Committee was constituted *vide* Board resolution dated October 11, 2023 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Sahir Thapar	Chairperson	Independent Director
Mr. Ansh Jain	Member	Independent Director
Mr. Vishal Sharma	Member	Executive Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

### The scope of Audit Committee shall include but shall not be restricted to the following:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Company with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;



- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism, in case the same is existing.
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**The Audit Committee enjoys following powers:**

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives as it considers appropriate (and particularly head of the finance function) to be present at the meetings of the committee, but on the occasions, it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit committee.

**The Audit Committee shall mandatorily review the following information:**

- (1) management discussion and analysis of financial condition and results of operations;
- (2) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (3) internal audit reports relating to internal control weaknesses; and
- (4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (5) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- (6) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- (7) The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

The Audit Committee shall meet at least four times in a year and more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be minimum of two independent members present.



Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall cease to be a member of this committee.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on October 11, 2023. As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Sahir Thapar	Chairman	Independent Director
Mrs. Navneet Kaur	Member	Independent Director
Mr. Ansh Jain	Member	Independent Director

Role of committee shall, inter-alia, include the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
  - (1A) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - a. use the services of an external agencies, if required;
    - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - c. consider the time commitments of the candidates.
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee has been formed by the Board of Directors, at the meeting held on October 11, 2023. As on the date of this Draft Red Herring Prospectus the Stakeholder's Relationship Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Sahir Thapar	Chairman	Independent Director
Mr. Vishal Sharma	Member	Executive Director
Mr. Ansh Jain	Member	Independent Director



This Committee supervises all grievances of Shareholders and Investors and its terms of reference include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The stakeholder's relationship committee is required to meet at least once in a year. Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall cease to be a member of this committee.

### COMPLIANCE WITH SME LISTING REGULATIONS

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE.

### KEY MANAGERIAL PERSONNEL

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

<b>Name</b>	:	<b>Vishal Sharma</b>
<b>Designation</b>	:	Managing Director
<b>Date of Appointment</b>	:	15/07/2023
<b>Term of Office</b>	:	July 15, 2023 to July 14, 2028
<b>Expiration of Term</b>	:	July 14, 2028
<b>Qualification</b>	:	Master of Business Administration from Guru Nanak Dev University
<b>Previous Employment</b>	:	NA
<b>Overall Experience</b>	:	18 years in the business
<b>Remuneration paid in F.Y. 2022-23)</b>	:	Mr. Vishal Sharma was appointed as Managing Director on 15/07/2023, he received a remuneration of Rs. 18.00 lacs- Per Annum in financial year 2022-23 in the capacity of Director.
<b>Name</b>	:	<b>Sangeeta</b>
<b>Designation</b>	:	Company Secretary
<b>Date of Appointment</b>	:	20/07/2023
<b>Term of Office</b>	:	NA
<b>Expiration of Term</b>	:	NA
<b>Qualification</b>	:	Company Secretary



<b>Previous Employment</b>	:	Worked as trainee in the following organizations: Superfine knitters limited – 3 Months PS Dua & Associates – 12 Months
<b>Overall Experience</b>	:	3 years of overall experience in the industry.
<b>Remuneration paid in F.Y. 2022-23)</b>	:	Ms. Sangeeta was appointed as Company Secretary on 20.07.2023, she has not yet received any remuneration for the financial year 2022-23 in the capacity of Company Secretary.

**Notes:**

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, consumers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.
- None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts; although they abide by their terms of appointments.

**FAMILY RELATIONSHIP BETWEEN KMP**

Promoters	Director	Relationship
		Not Applicable

**Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel (or senior management) was selected as Key Managerial Personnel or member of senior management.**

There is no arrangement or understanding with our major shareholders, customers, suppliers or any other entity pursuant to which any of our Key Managerial Personnel or member of senior management were selected as Key Managerial Personnel or member of senior management.

**BONUS AND/OR PROFIT-SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL**

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.

**CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

**SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

S. No.	Name of Director	No. of Equity Shares held	% of pre-issue paid-up Equity Share capital in our company
1.	Vishal Sharma	10,62,600	19.98



2.	Sangeeta	420	0.008
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#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled from our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

#### **CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS**

Following have been the changes in the Key Managerial Personnel (KMP) during the last three years:

S. No.	Name of KMP	Date of Joining	Date of Cessation	Reason for Change
1.	Vishal Sharma	20.07.2023	NA	NA
2.	Sangeeta	20.07.2023	NA	NA

*Note: Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.*

#### **SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE**

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

Except as provided in restated financial statement in the chapter “*Financial Information*” beginning on page 155 of the Draft Red Herring Prospectus, there are no loans outstanding against the key managerial personnel as on the date of this Draft Red Herring Prospectus.

#### **PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)**

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “*Financial Information*” and the chapter titled “*Our Business*” beginning on pages 155 and 105 of this Draft Red Herring Prospectus, we have not paid/given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

#### **RETIREMENT BENEFITS**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.




## OUR PROMOTERS

The Promoters of our Company are:

S. No.	Name	Category	Shareholding
1.	Vishal Sharma	Individual Promoter	19.98%
2.	Zeta Appnomics Pvt. Ltd	Corporate Promoter	79.98%

For details of the build-up of our promoters' shareholding in our Company, see section titled "Capital Structure" beginning on page no.64 of this Draft Red Herring Prospectus.

**Brief profile of our Individual Promoters is as under:**

	<p>Mr. Vishal Sharma is a part of promoter family, has been associated with the company since 2004 and actively handling the administration as Managing Director and CFO of the company. He has approximately 18 years of business experience. He has expertise in the field of marketing and finance. He has been instrumental in the overall business development and growth of our company. He is responsible for the day-to-day planning, execution and administration of our Company.</p>
<b>Name</b>	Vishal Sharma
<b>Date of Birth</b>	06/06/1978
<b>Age</b>	46 Years
<b>Personal Address</b>	House No. B-19, 158/7, Major Gurdial Singh Road, Bharat Nagar Chowk, Civil Line, Ludhiana, Punjab-141001
<b>Qualification</b>	Master of Business Administration from Guru Nanak Dev University, Punjab
<b>Experience</b>	He has approximately 18 years of business experience.
<b>Occupation</b>	Business
<b>Directorship &amp; Other Ventures</b>	Zeta Appnomics Private Limited
<b>PAN</b>	AWLPS8801N

**Brief profile of our Promoter which is Company is given under:**

<b>Zeta Appnomics Private Limited</b>	Zeta Appnomics Pvt. Ltd, is a Private limited company incorporated on 08/03/2016 and having CIN as U72300HP201PTC001168. Present directors of the company are Vishal Sharma and Ansh Jain.
<b>Name</b>	Zeta Appnomics Pvt. Ltd
<b>Date of Incorporation</b>	08/03/2016
<b>Present Activities</b>	Company is engaged in the business of developing high level mobile application, trading and manufacturing of computer and software in India and abroad company.
<b>Change of activities</b>	N.A.
<b>Promoter (Individual)</b>	Mr. Vishal Sharma
<b>Promoter (Company, Body corporate, if any)</b>	Raj Kumar Thapar Family Trust*
<b>PAN</b>	AAACZ9530H





*\*The details of the trust are as follows:*

- *Trustee: Mr. Vishal Sharma and Mr. Raj Kumar Thapar*
- *Settlor: Mr. Raj Kumar Thapar*
- *Beneficiary: Mrs. Neelam Thapar*

*Further, there is no other relation in between Mr. Vishal Sharma and Mr. Raj Kumar Thapar*

*For details pertaining to other ventures of our Promoters, refer chapter titled “Our Group Entities” beginning on page no. 152 of this Draft Red Herring Prospectus.*

## **CHANGE IN CONTROL OF PROMOTER COMPANY**

Our promoter company, Zeta Appnomics Private Limited, was incorporated in 2016, and was originally controlled by Ms. Shilpy Gupta and Mr. Sunil Kumar. The change in control of the company in last three years are as follows:

<b>Date of Change in Shareholding</b>	<b>From</b>	<b>To</b>
November 10, 2023	Ms. Shilpy Gupta and Mr. Sunil Kumar	Mr. Vishal Sharma and Raj Kumar Thappar Family Trust

Further, the management of the company was changed as follows:

<b>Date of Change in Management</b>	<b>From</b>	<b>To</b>
November 11, 2023	Ms. Rama Gupta and Mr. Sunil Kumar	Mr. Vishal Sharma and Ansh Jain

## **RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS**

Our Promoters are the part of our Board of Directors as Managing Directors and/or Directors. Except as disclosed herein, none of our Promoter(s) are related to any of our Company’s Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

<b>Promoters</b>	<b>Director</b>	<b>Relationship</b>
	NA	

## **OTHER UNDERTAKINGS AND CONFIRMATIONS**

- Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhar and Passport Number of the Promoters will be submitted to the Emerge Platform of NSE, where the securities of our Company are proposed to be listed at the time of submission of Draft Red Herring Prospectus.
- Our Promoters have confirmed that they have not been identified as willful defaulters.
- No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons



by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

## **INTEREST OF PROMOTERS**

### ***Interest in promotion of Our Company***

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

### ***Interest in the property of Our Company***

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Draft Red Herring Prospectus.

### ***Interest as member of Our Company***

Our Promoter holds 53,15,100 Equity Shares aggregating to 99.96% of pre-issue Equity Share Capital in our Company and is therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company our Promoters hold no other interest in our Company.

### ***Interest as Director of our Company***

Except as stated in the “*Statement of Related Party Transactions*” on page number 153 of the Draft Red Herring Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

### ***Other Ventures of our Promoters***

Save and except as disclosed in the chapters titled “*Our Group Entities*” beginning on page 152 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

### ***Change in the control of Our Company***

Our Promoters are not the original promoters of our Company and there has been no change in the management or control of our Company since the last Ten years.

### ***Litigation involving our Promoters***

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 199 of this Draft Red Herring Prospectus.

## **PAYMENT OF BENEFITS TO OUR PROMOTERS AND PROMOTER GROUP DURING THE LAST TWO YEARS**

Save and except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing as Note 27 on page no. 176 of the section titled “*Financial Information*” beginning on page no. 155 of the



Draft Red Herring Prospectus, there has been no payment or benefit to promoters during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

#### **OTHER CONFIRMATIONS**

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last Five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 199 of this Draft Red Herring Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulters nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

#### **GUARANTEES**

Except as stated in the section titled “*Financial Statements*” beginning on page no. 155 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

#### **RELATED PARTY TRANSACTIONS**

For details of related party transactions entered into by our Company, please refer to “*Statement of Related Party Transactions*”, as Restated appearing as Note 27 on page number 176 of the section titled “*Financial Information*” beginning on page number 155 of the Draft Red Herring Prospectus.

#### **INFORMATION OF OUR GROUP COMPANIES**

For details related to our group companies please refer “Our Group Entities’ on page no. 152 of this Draft Red Herring Prospectus.

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## OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under:

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

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

Promoters	Mr. Vishal Sharma
Father	Late Mr. Mahesh Chander Sharma
Mother	Smt. Naresh Bala Sharma
Spouse	Smt. Anju Sharma
Brother	-
Sister	Smt. Anjana Modgil
Sister	Smt. Vandana Sharma
Sister	Smt. Pratibha Sharma
Son	Mr. Yashank Sharma
Daughters	-
Spouse Father	Sh. Sumitter Kumar
Spouse Mother	Smt. Usha Devi
Spouse Brothers	-
Spouse Sisters	Smt. Manu Sharma
Spouse Sisters	Smt. Pooja Sharma Barwala
Spouse Sisters	Smt. Indu Sharma

A. Companies, partnership and proprietorship firms forming part of our Promoter Group are as follows:

Particulars	Entity
Any body corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relative is a member.	Nil
Any company in which a company (mentioned above) holds 20% of the total holding	Nil
Any HUF or firm in which the aggregate share of the promoters and his relatives is equal to or more than 20% of the total holding	Nil

## COMMON PURSUITS OF OUR PROMOTERS

The promoter Group entities are not having business objects similar to our business. Further, currently we do not have any non-compete agreement/arrangement with any of our Group Entities.



## OUR GROUP ENTITIES

In terms of the SEBI (ICDR) Regulations for the purposes of identification of group companies, our Company has considered companies with which there were related party transactions, during the period for which the Restated Financial Statements has been included in this Draft Red Herring Prospectus i.e. financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, and period ended February 29, 2024 such other companies as considered material, in accordance with the Materiality Policy. In terms of the Materiality Policy, a company shall be considered material and disclosed as a Group Company if it:

(i) is a member of the Promoter Group and has entered into one or more transactions with the Company during the period for which financial information is disclosed in the Offer Document(s) individually or in the aggregate, exceed 10% of the total revenue of the Company for such period;

Or

(ii) such company would require disclosure in the financial statements of the Company subsequent to the latest period for which restated financial statements are included in the Offer Documents, as entities covered under Ind AS 24 (other than those companies which are already covered under Ind AS 24).

Based on the parameters outlined above, our Company does not have any group companies as on the date of this Draft Red Herring Prospectus.

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## RELATED PARTY TRANSACTION

For details on related party transactions of our Company, please refer to Note 27 of Restated Financial Statements beginning on page no. 176 of this Draft Red Herring Prospectus.

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## DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon recommendation by its Board of Directors and approval by a majority of the shareholders. Accordingly, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not declared or paid any dividend during the last three financial years ending on March 2023, 2022 and 2021 and eleven-month period ending on February 29, 2024 till the date of this DRHP.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company.

Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company. We may/ may not retain all our future earnings, if any, for use in the operations and expansion of our business. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among other, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

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## SECTION VI – FINANCIAL INFORMATION

<b>Particulars</b>	<b>Page Nos.</b>
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Restated Financial Statements for the period ended March 31, 2023, 2022, 2021, and the stub period ended on February 29, 2024	160





# Independent Auditor's Examination Report on Restated Standalone Financial Information of GOFLEX LIMITED

To,  
The Board of Directors  
**Goflex Limited**  
**Ludhiana**

1. We have examined the attached restated standalone financial information of “ **Goflex Limited** ” (hereinafter referred to as “the Company” or “the Issuer”) comprising the restated statement of assets and liabilities as at 29<sup>th</sup> February 2024, 31st March 2023, 31st March 2022 and 31st March 2021, restated statement of Profit and Loss and restated cash flow statement for the period ended on 29<sup>th</sup> February, 2024 and for the financial year ended on 31st March 2023, 31st March 2022 and 31st March 2021 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the “**restated standalone financial information**” or “**restated standalone financial statements**”) annexed to this report and initiated by us for identification purposes. These Restated Standalone Financial Statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on Emerge Platform (“**IPO**” or “**SMEIPO**”) of NSE Limited (“**NSE**”) of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) Section 26 of Part – I of Chapter III of Companies Act, 2013 (the “**Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**ICDR Regulations**”) and related amendments/ clarifications from time to time issued by the Securities and Exchange Board of India (“**SEBI**”);
  - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”)
3. The Company’s Board of Directors is responsible for the preparation of the Restated Standalone Financial Statements for inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India (“**SEBI**”), SME platform of NSE Limited (“**NSE**”) and Registrar of Companies Delhi in connection with the proposed IPO. The Restated Standalone Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Standalone Financial Statements. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
4. We have examined such Restated Standalone Financial Statements taking in to consideration:
  - (i) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 24<sup>th</sup> May, 2024, in connection with the proposed SME IPO; and
  - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Statements;
  - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations



and the Guidance Note in connection with the IPO.

5. The Restated Standalone Financial Statements of the Company have been compiled by the management from:

- (i) The audit for the period ended on 29<sup>th</sup> February, 2024 and 31<sup>st</sup> March, 2023 was conducted by us and the audit for the financial year 31st March 2022 and 31st March 2021 was conducted by Rajesh Nakra & Co., Chartered Accountants Statutory Auditors. There are no material audit qualifications in the audit reports issued by the statutory and tax auditors for the financial year ended 31st March 2022 and 31st March 2021 which would require adjustments in the Restated Standalone Financial Statements of the Company. The financial report included for these years is based solely on the report submitted by them.
- (ii) We have Re-audited the Financial statements of the company in accordance with applicable standard as required under the SEBI ICDR regulations for the period ended on 29<sup>th</sup> February, 2024 and for the financial year ended on 31st March 2023, 31st March 2022, 31st March 2021 prepared in accordance with the Indian Accounting Standards (Indian GAAP) which have been approved by the Board of Directors.
- (iii) Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Standalone Financial Statements:
  - a) Have been prepared after incorporating adjustments for the changes in accounting policies, estimates, material errors and regrouping/ reclassifications retrospectively for the period ended on 29<sup>th</sup> February, 2024 and for the financial year ended on 31st March 2023, 31st March 2022 and 31st March 2021.
  - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
  - c) there are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
  - e) Adequate disclosure has been made in the financial statements as required to be made by the issuer as per schedule III of the Companies Act, 2013.
  - f) The accounting standards prescribed under the Companies act, 2013 have been followed.
  - g) The financial statements present a true and fair view of the company's accounts.
- (iv) In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
  - a) The “**Restated Summary Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at 29<sup>th</sup> February 2024, 31st March 2023, 31st March 2022 and 31st March 2021 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.
  - b) The “**Restated Summary Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the period ended on 29<sup>th</sup> February, 2024 and for the financial year ended on 31st March 2023, 31st March 2022 and 31st March 2021 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Profit and Loss have been arrived at



after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.

- c) The “**Restated Summary Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the period ended on 29<sup>th</sup> February, 2024 and for the financial year ended on 31st March 2023, 31st March 2022 and 31st March 2021 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.
- (v) We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the period ended on 29<sup>th</sup> February, 2024 and for the financial year ended on 31st March 2023, 31st March 2022 and 31st March 2021 proposed to be included in the Draft Prospectus/Prospectus (“**Offer Document**”).

<b>Annexure No.</b>	<b>Particulars</b>
<b>I</b>	<b>Restated Statement of Assets &amp; Liabilities</b>
	Restated Statement of Share Capital
	Restated Statement of Reserves & Surplus
	Restated Statement of Long-Term Borrowings
	Restated Statement of Deferred Tax Liabilities/Assets
	Restated Statement of Short Term Borrowings
	Restated Statement of Trade Payable
	Restated Statement of Other Current Liabilities
	Restated Statement of Short Term Provisions.
	Restated Statement of Property, Plant and Equipment
	Restated Statement of Deferred Tax Assets
	Restated Statement of Non-Current Investments
	Restated Statement of Inventories
	Restated Statement of Trade Receivable
	Restated Statement of Cash & Cash Equivalent
	Restated Statement of Short-Term Loans and Advances
<b>II</b>	<b>Restated Statement of Profit &amp; Loss</b>
	Restated Statement of Revenue from operations
	Restated Statement of Other Income
	Restated Statement of Cost of Material Consumed
	Restated Statement of Purchase of Stock in Trade
	Restated Statement of Change in Inventories
	Restated Statement of Employees Benefit Expenses
	Restated Statement of Financial Charges
	Restated Statement of Depreciation and Amortization
	Restated Statement of Other Expenses
	Restated Statement of Exceptional Items
	Restated Statement of Earnings per share
Other Annexures:	
III	Statement of Cash Flow, As Restated
IV	Statement of Significant Accounting Policies



V	Notes to the Re-stated Financial Statements
VI	Statement of Accounting & Other Ratios, As Restated
VII	Statement of Capitalization, As Restated
VIII	Statement of Tax Shelter, As Restated
IX	Statement of Material Adjustments in Restated Assets & Liabilities and Profit & Loss.

- (vi) We, K.R. Aggarwal & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
- (vii) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- (viii) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- (ix) Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For K.R. Aggarwal & Associates  
Chartered Accountants  
Firm Registration No: 030088N

Place: Ludhiana  
Date: 12/06/2024

Sd/-  
CA Vivek Aneja  
(Partner)  
Membership No. 544757  
UDIN: 24544757BKACEP9183



## **GOFLEX LIMITED**

**CIN NO: U24100PB1994PLC014363**

### **ANNEXURE- I RESTATED STATEMENT OF ASSETS & LIABILITY**

(RS. In Lakhs)

Particulars	Note	29-Feb-24	31-Mar-23	31-Mar-22	31-Mar-21
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>Shareholders Funds</b>					
(a) Share Capital	1	25.32	25.32	25.32	25.32
(b) Reserves and Surplus	2	730.97	271.31	75.19	25.66
<b>Non-Current Liabilities</b>					
(a) Long-term borrowings	3	481.89	513.39	594.55	151.84
(b) Deferred Tax Liability (Net)	4	-	-		
<b>Current Liabilities</b>					
(a) Short Term Borrowings	5	198.60	11.71	11.37	9.19
(a) Trade payables	6	2,786.91	2,983.57	2,947.83	2,555.93
(b) Other current liabilities	7	306.77	835.60	218.66	567.69
(c) Short Term Provisions	8	227.01	55.84	30.59	11.32
<b>Total</b>		<b>4,757.47</b>	<b>4,696.74</b>	<b>3,903.51</b>	<b>3,346.95</b>
<b><u>ASSETS</u></b>					
<b>Non-current assets</b>					
(a) Property, Plant & Equipment					
Tangible assets	9	44.52	57.45	66.53	69.28
(b) Deferred Tax Assets (Net)	10	8.30	6.24	4.53	3.17
(c) Non current Investments	11	4.15	4.15	4.15	4.15
<b>Current assets</b>					
(a) Inventories	12	435.81	210.53	210.81	429.71
(b) Trade receivables	13	1,877.25	2,176.56	1,531.72	1,752.03
(c) Cash and cash equivalents	14	248.69	433.80	199.92	131.38
(d) Short-term loans and advances	15	2,138.74	1,808.01	1,885.85	957.23
<b>Total</b>		<b>4,757.47</b>	<b>4,696.74</b>	<b>3,903.51</b>	<b>3,346.95</b>
Significant Accounting Policies					
Notes on Financial Statements					

1 to 28

**For and on behalf of the board**  
**GOFLEX LIMITED**

**For KR Aggarwal & Associates.**  
**Chartered Accountants**  
**FRN. 030088N**

Sd/-  
**Vishal Sharma**  
**MD & CFO**  
**DIN 02151917**

Sd/-  
**Sahir Thapar**  
**Independent Director**  
**DIN 09607418**

Sd/-  
**Sangeeta Mehra**  
**Company Secretary**  
**M. No.69410**

Sd/-  
**(VIVEK ANEJA)**  
**PARTNER**  
**M.NO. 544757**  
**UDIN-24544757BKACEP9183**

PLACE: LUDHIANA  
DATE:12.06.2024



## **GOFLEX LIMITED**

**CIN NO: U24100PB1994PLC014363**

### **ANNEURE- II RESTATED STATEMENT OF PROFIT & LOSS**

(RS. In Lakhs)

<b>Particulars</b>	<b>Note</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b><u>INCOME</u></b>					
Net Revenue from operations	16	24,334.60	29,918.26	16,978.67	9,536.26
Other Income	17	11.07	95.55	16.81	167.53
<b>Total Revenue</b>		<b>24,345.67</b>	<b>30,013.80</b>	<b>16,995.48</b>	<b>9,704</b>
<b><u>EXPENDITURE</u></b>					
Cost of materials consumed	18	-	-	-	4,667.91
Purchase of Stock in trade	19	23,294.29	28,741.93	15,963.92	4,450.20
Changes in inventories of work-in-progress and finished goods	20	-225.28	0.28	217.05	-235.40
Employee benefit expense	21	82.55	89.38	82.83	107.04
Financial costs	22	23.91	28.53	19.15	16.74
Depreciation	23	15.93	15.27	15.18	15.76
Other expenses	24	479.09	892.48	615.98	670.69
<b>Total Expenses</b>		<b>23,670.48</b>	<b>29,767.86</b>	<b>16,914.12</b>	<b>9,693</b>
<b>Profit/(Loss) before Exceptional Items &amp; Tax</b>		<b>675.19</b>	<b>245.94</b>	<b>81.36</b>	<b>10.84</b>
Less: Exceptional Items	25	0.10	5.14	10.05	3.82
<b>Profit/(Loss) before Tax</b>		<b>675.09</b>	<b>240.80</b>	<b>71.30</b>	<b>7.02</b>
Tax expense:					
Provision For Current tax		192.82	46.38	23.14	5.77
Deferred tax Liability/Assets		(2.07)	(1.71)	(1.36)	(2.51)
Earlier Year Tax Expense		24.68			
<b>Net Tax expense:</b>		<b>215.44</b>	<b>44.67</b>	<b>21.78</b>	<b>3.26</b>
<b>Profit/(Loss) for the year</b>		<b>459.65</b>	<b>196.13</b>	<b>49.53</b>	<b>3.76</b>
Earning per equity share:	26				
Basic and Diluted		181.54	77.46	19.56	1.49
Significant Accounting Policies					
Notes on Financial Statements	<b>1 to 28</b>				

**For and on behalf of the board**  
**GOFLEX LIMITED**

**For KR Aggarwal & Associates.**  
**Chartered Accountants**  
**FRN. 030088N**

Sd/-  
**Vishal Sharma**  
**MD & CFO**  
**DIN 02151917**

Sd/-  
**Sahir Thapar**  
**Independent Director**  
**DIN 09607418**

Sd/-  
**Sangeeta Mehra**  
**Company Secretary**  
**M. No.69410**

Sd/-  
**(VIVEK ANEJA)**  
**PARTNER**  
**M.NO. 544757**  
**UDIN-24544757BKACEP9183**

**PLACE: LUDHIANA**  
**DATE:12.06.2024**



## GOFLEX LIMITED

**CIN NO: U24100PB1994PLC014363**

### ANNEXURE- III RESATED CASH FLOW STATEMENT

(RS. In Lakhs)

Particulars	FOR THE QUARTER ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED
	29/02/2024	31/03/2023	31/03/2022	31/03/2021
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flow from Operating Activities :</b>				
Net Profit before Tax	675.09	240.80	71.30	7.02
Adjustment for:				
Depreciation	15.93	15.27	15.18	15.76
Financial Costs	23.91	28.53	19.15	16.74
Loss on sale of fixed asset		-	-	
Interest Income	(8.28)	(0.35)	(0.68)	(0.11)
<b>Operating Profit before Working Capital Changes</b>	<b>706.65</b>	<b>284.25</b>	<b>104.96</b>	<b>39.41</b>
Adjustment for:				
Trade and Other Receivables	299.31	(644.84)	220.31	(80.08)
Inventories	(225.28)	0.28	218.90	(178.47)
Short Term Loans & Advances	(330.73)	77.84	(928.62)	(137.04)
Trade and Other Payables	(196.67)	60.99	389.72	69.78
Other current Liabilities	(357.65)	616.94	(327.58)	351.76
<b>Cash Generated from operations</b>	<b>(104.38)</b>	<b>395.45</b>	<b>(322.31)</b>	<b>65.36</b>
<b>Deffered Tax Assets/ Liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Income Taxes Provision	(192.82)	(46.38)	(23.14)	(5.77)
Earlier Year Tax Expense	(24.68)			
<b>Net Cash from Operating Activities</b>	<b>(321.88)</b>	<b>349.07</b>	<b>(345.45)</b>	<b>59.59</b>
<b>B. Cash Flow from Investing Activities :</b>				
Purchase of Fixed Assets	(3.00)	(6.18)	(12.43)	-0.02
Sale of Fixed Assets		-	-	
Interest Income	8.28	0.35	0.68	0.11
<b>Net Cash from /(used in) Investing Activities</b>	<b>5.28</b>	<b>(5.84)</b>	<b>(11.75)</b>	<b>0.10</b>
<b>C. Cash Flow from Financing Activities</b>				
Financial Costs	(23.91)	(28.53)	(19.15)	(16.74)
Movement of Long Term Borrowings	(31.49)	(81.16)	442.71	57.554
Movement of Short Term Borrowings	186.89	0.33	2.18	8.365
<b>Net Cash from/(used in) Financing Activities</b>	<b>131.48</b>	<b>(109.36)</b>	<b>425.74</b>	<b>49.18</b>
Net Change in Cash & Cash Equivalents (A+B+C)	(185.11)	233.87	68.54	108.865
Cash & Cash Equivalents at the beginning of the year	433.80	199.92	131.38	22.519
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>248.68</b>	<b>433.80</b>	<b>199.92</b>	<b>131.38</b>

For and on behalf of the board  
GOFLEX LIMITED

As per our report of even date attached  
For KR Aggarwal & Associates.  
Chartered Accountants  
FRN. 030088N

Sd/-  
Vishal Sharma  
MD & CFO  
DIN 02151917

Sd/-  
Sahir Thapar  
Independent Director  
DIN 09607418

Sd/-  
Sangeeta Mehra  
Company Secretary  
M. No.69410

Sd/-  
(VIVEK ANEJA)  
PARTNER  
M.NO. 544757  
UDIN-24544757BKACEP9183

PLACE: LUDHIANA  
DATE:12.06.2024



**GOFLEX LIMITED**  
**CIN NO: U24100PB1994PLC014363**  
**ANNEXURE IV- ACCOUNTING POLICIES**

**Note 1 : COMPANY INFORMATION**

Goflex Limited ("the Company") is Public limited entity incorporated under the provisions of the Companies Act, 2013 having its registered office at BXX-3369, Sandhu Tower 2, 5th Floor, Gurdev Nagar, Ferozpur Road, Ludhiana-141001

**Note 2 : SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation**

These financial statements have been prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). Indian GAAP comprises mandatory accounting standards as specified under Section 133 of the Companies Act, 2013 ('the Act'), read with prescribed Rule of the Companies (Accounts) Rules (as amended) and other accounting pronouncements of The Institute of Chartered Accountants of India. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

**b) Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liability as at the date of financial statements and reported amounts of income and expenses during the period. Although these estimates are based on the management's best knowledge of current events and actions, the company may undertake in future, the actual results could differ from these estimates. any revision to accounting estimates is recognized prospectively in current and future periods.

**c) Property, plant and equipment**

Property, plant & equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to the acquisition are capitalized until the property, plant & equipment are ready for use as intended by the management.

Depreciation on Property, plant & equipment is charged in accordance with useful life of the assets on Straight Line method at rates prescribed in Part 'C' of Schedule II of the Companies Act, 2013. Depreciation on assets purchased during the year is provided pro-rata to the period such asset was put to use during the year.

Depreciation methods, useful lives and residual lives are reviewed periodically, including at each financial year end.

An item of Property, plant & equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the Statement of Profit and Loss in the year the asset is derecognized.

Advances paid towards acquisition of Property, plant & equipment outstanding at each Balance sheet date are disclosed as "Capital advances" under long term loans and advances and cost of property, plant & equipment not yet ready for their intended use as at the reporting date are disclosed under "Capital work in progress".

**d) Revenue from Operations (Sales)**

Revenue from the Sale of goods is recognized at the point of dispatch of goods to the customers and is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

i) Revenue/Income & Costs are accounted for on accrual (Mercantile) basis as they are earned/incurred; under historical cost convention as going concern in accordance with the generally accepted accounting policies and applicable accounting standards except where otherwise stated.





ii) All the known expenses and incomes at the close of the year to the extent considered payable and receivable unless specifically stated to be otherwise are accounted for on an accrual basis.

**e) Accounting for Taxes on Income**

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Current tax is the aggregate amount of income tax determined to be payable in respect of taxable income for a period. Deferred Tax is the tax effect on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**f) Borrowing Costs**

a) Borrowing Costs directly attributable to the acquisition of qualifying assets are capitalized in accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**g) Employee benefits**

1. Short-term employee benefits:

Short-term employee benefits are recognized as an expense in the statement of Profit & Loss in the year in which related services are rendered by the employees.

2. Retirement benefits

Defined Contribution plans:

Contributions to the employees' provident fund will be made in accordance with the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, whenever applicable. Such contributions will be charged to the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined Benefit plans:

Gratuity:

Liability in respect of gratuity is accounted for on the basis of an independent actuarial valuation. The present value of defined benefit obligation as at the end of the year is determined using the Projected Unit Credit method i.e., each period of service rendered by the employee is considered to give rise to an additional unit of benefit entitlement, gradually building up the final obligation.

**h) Investments**

Investments are stated at cost. Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are stated at cost less provision for diminution in the value of such investments, if such diminution is of permanent nature. Investments other than long-term investments being current investments are valued at lower of cost and fair value, computed separately in respect of each category of investment.

**i) Foreign Currency transactions**

Transactions in foreign currencies are recorded at the rates prevailing on the date of transaction. Monetary items denominated in foreign currency are restated at the rate prevailing on the balance sheet date except in cases where the actual amount has been ascertained by the time of finalization of accounts.

Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recorded in exchange fluctuations account and recognized as income or expense in the year in which they arise.

**j) Inventories**

Inventories are valued at cost or net realizable value, whichever is lower after providing for obsolescence, if any. The cost in respect of various items of inventory is determined as under: -



In the case of raw materials and stores & spares, at FIFO.

In case of work-in-progress, at the raw material cost plus conversion cost depending upon the stage of completion

In the case of finished goods, the raw material cost, conversion cost and other overheads incurred to bring the goods to their present location and condition plus taxes, wherever applicable.

**k) Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year/period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/period. The weighted average number of equity shares outstanding during the year/period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss for the year/period attributable to equity shareholders and the weighted average number of shares outstanding during the year/period are adjusted for the effects of all dilutive potential equity shares.

**l) Provisions contingent liabilities and contingent assets**

The Company will create a provision when there will be a present obligation as a result of a past event that will probably require an outflow of resources, and a reliable estimate will be made of the amount of the obligation. A disclosure for a contingent liability will be made where there will be a possible obligation that will arise from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where a reliable estimate of the obligation cannot be made.

**m) Impairment of assets**

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired in terms of Accounting Standard 28 issued by Institute of Chartered Accountants of India (ICAI). If any such indication exists, an impairment loss i.e., the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account and charged to the Statement of Profit & Loss. The impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of the recoverable amount of an asset.

Note-3 **NON-ADJUSTMENT ITEMS**

No Audit qualification for respective periods which require any corrective adjustments in these Re-stated Financial Statements of the company have been provided out during the restated period.

Note-4 **MATERIAL REGROUPINGS**

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profit & Loss and Cash flows wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.



## GOFLEX LIMITED

**CIN NO: U24100PB1994PLC014363**

### ANNEXURE- V NOTES TO RE-STATED FINANCIAL STATEMENTS

(RS. In Lakhs)

#### NOTES ON RESTATED FINANCIAL STATEMENTS

#### RESTATED STATEMENT OF SHARE CAPITAL , RESERVES AND SURPLUS

<b>Note : 1 Share Capital</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Authorised Share Capital				
4255000 Equity Shares of Rs. 10 each	425.5	425.50	425.50	425.50
(Previous Year 4255000 Equity Shares of Rs. 10 each)				
	425.50	425.50	425.50	425.50
Issued , Subscribed & Paid up Capital				
253200 Equity Shares of Rs. 10 each				
(Previous Year 253200 Equity Shares of Rs. 10 each)	25.32	25.32	25.32	25.32
	25.32	25.32	25.32	<b>25.32</b>

#### The detail of shareholders holding more than 5 % shares

Name of the Shareholder	As at 29.02.24		As at 31.03.23		As at 31.03.22		As at 31.03.21	
	No of shares	% Holding	No of shares	% Holding	shares	% Holding	f shares	% Holding
Vishal Sharma	253100	99.96	253100	99.96	253100	99.96	253100	99.96

#### The reconciliation of number of shares outstanding is set out below

Particulars	As at 29/02/24	As at 31/03/23	As at 31/03/22	As at 31/03/21
	No of shares	No of shares	No of shares	No of shares
<b>Shares outstanding at the beginning of the year</b>	2,53,200	2,53,200	2,53,200	2,53,200
Shares Issued during the year		-	-	-
Shares bought back during the year		-	-	-
<b>Shares outstanding at the end of the year</b>	2,53,200	2,53,200	2,53,200	2,53,200

<b>Note : 2 Reserve &amp; Surplus</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>Statement of Profit &amp; Loss</b>				
As at Commencement of the Year	271.31	75.19	25.66	21.90
<b>Add</b> :Transferred from Statement of Profit & Loss	459.65	196.13	49.53	3.76
<b>Balance at the end of Financial Year</b>	<b>730.97</b>	<b>271.31</b>	<b>75.19</b>	<b>25.66</b>



## GOFLEX LIMITED

<b>RESTATED STATEMENT OF LONG TERM BORROWINGS</b>		(RS. In Lakhs)			
<b>Note : 3 Long-Term Borrowings</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>	
<b>Secured Loans</b>					
ICICI Car Loan (Mercedes)		-	-	-	
Yes Bank Loan A/c (Jaguar Car)	6.58	13.73	20.54	26.65	
Yes Bank Loan A/c (Creta Car)	1.98	4.12	6.17	8.00	
Yes Bank Loan A/c (Creta Car 2)	3.43	5.88	8.33	-	
Mahindra Finance	-	-	-	1.10	
Union Bank Auto loan	0.17	0.58	1.01	1.51	
	<b>12.15</b>	<b>24.30</b>	<b>36.05</b>	<b>37.26</b>	
<b>Unsecured Loans</b>					
Loan from Directors and Others	469.74	489.08	558.49	114.58	
<b>Total</b>	<b>481.89</b>	<b>513.39</b>	<b>594.55</b>	<b>151.84</b>	

## **RESTATED STATEMENT OF DEFERRED TAX (ASSET) OR LIABILITY**

<b>Note : 4 Deferred Tax Liability</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>Opening Balance (A)</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Opening Balance of Deferred Tax (Asset)/Liability	(6.24)	-4.53	(3.17)	(0.66)
<b>Closing Balances (B)</b>				
(DTA)/DTL on Timing Difference as per Companies Act & Income Tax Act				
	(2.07)	(1.71)	(1.36)	(2.51)
<b>Closing Balance of Deferred Tax (Asset)/Liability (B)</b>	<b>(2.07)</b>	<b>(1.71)</b>	<b>(1.36)</b>	<b>(2.51)</b>
Deferred Tax (Assets)/Liability	(8.30)	(6.24)	(4.53)	(3.17)
<b>Total</b>	<b>(8.30)</b>	<b>(6.24)</b>	<b>(4.53)</b>	<b>(3.17)</b>

## **RESTATED SHORT TERM BORROWINGS**

<b>Note: 5 Short Term Borrowings</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Short Term Borrowings (Kotak FD -OD)	185.44	-	-	-
Current maturity of Long term Debt-Secured Loans	13.16	11.71	11.37	9.19
<b>Total</b>	<b>198.60</b>	<b>11.71</b>	<b>11.37</b>	<b>9.19</b>



## GOFLEX LIMITED

### RESTATED STATEMENT OF TRADE PAYABLE

<b>Note: 6 Trade Payable</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Due to Micro, Small & Medium Enterprises		-	-	-
Due to Other than Micro, Small & Medium Enterprises	2786.91	2,983.57	2,947.83	2555.93
<b>Total</b>	<b>2,786.91</b>	<b>2,983.57</b>	<b>2,947.83</b>	<b>2,555.93</b>

### Trade payables ageing schedule as on 29th Feb 2024

<b>Outstanding for following periods from due date of payment</b>					
<b>Period</b>	<b>Not Due</b>	<b>Less than 1 year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Ye</b>
(i) MSME	-	-	-	-	-
(ii) Others	2,210.90	125.03	25.22	102.23	43.04
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	82.34	198.15
<b>Total</b>	<b>2,210.90</b>	<b>125.03</b>	<b>25.22</b>	<b>184.57</b>	<b>241.19</b>

### Trade payables ageing schedule as on 31st March 2023

<b>Outstanding for following periods from due date of payment</b>					
<b>Period</b>	<b>Not Due</b>	<b>Less than 1 year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Ye</b>
(i) MSME	-	-	-	-	-
(ii) Others	1,562.73	181.05	162.49	209.68	367.88
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	161.00	26.06	312.67
<b>Total</b>	<b>1,562.73</b>	<b>181.05</b>	<b>323.49</b>	<b>235.74</b>	<b>680.55</b>

### Trade payables ageing schedule as on 31st March 2022

<b>Outstanding for following periods from due date of payment</b>					
<b>Period</b>	<b>Not Due</b>	<b>Less than 1 year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Ye</b>
(i) MSME	-	-	-	-	-
(ii) Others	711.10	540.30	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	498.18	802.26	396.04
<b>Total</b>	<b>711.10</b>	<b>540.30</b>	<b>498.18</b>	<b>802.26</b>	<b>396.04</b>

### Trade payables ageing schedule as on 31st March 2021

<b>Outstanding for following periods from due date of payment</b>					
<b>Period</b>	<b>Not Due</b>	<b>Less than 1 year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Ye</b>
(i) MSME	-	-	-	-	-
(ii) Others	1,165.33	714.27	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	355.30	101.32	219.72
<b>Total</b>	<b>1,165.33</b>	<b>714.27</b>	<b>355.30</b>	<b>101.32</b>	<b>219.72</b>



**GOFLEX LIMITED**

**RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

<b>Note : 7 Other Current Liabilities</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Cheque under reconciliation	1.13	-	5.47	130.74
Commission Payable	-	47.32	9.39	3.39
Interest accrued but not due	-	-	0.26	-
TDS/TCS Payable	1.85	18.80	29.79	10.14
Providend Fund Payable	4.48	4.48	4.48	4.48
ESI Payable	-	0.96	0.96	0.96
Personal Exp. Payable	13.01	7.64	6.43	12.71
Expenses Payables	0.21	0.21	0.23	0.14
Director Remuneration/Sitting Payable	5.58	2.57	-	-
GST Payable	12.57	-	0.01	0.23
Audit Fees Payable	0.83	0.56	0.76	0.46
Advance Received from Customers	267.10	753.06	160.90	404.44
<b>Total</b>	<b>306.77</b>	<b>835.60</b>	<b>218.66</b>	<b>567.69</b>

<b>Note :8 Short Term Provisions</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Gratuity Payable (As per actuarial valuation according to AS-15)	9.77	9.25	6.98	5.34
Bonus Payable	0.16	0.16	0.16	0.16
Leave With Wages Payable	0.05	0.05	0.05	0.05
Provision for Income Tax	217.03	46.38	23.41	5.77
<b>Total</b>	<b>227.01</b>	<b>55.84</b>	<b>30.59</b>	<b>11.32</b>

**RESTATED NON -CURRENT ASSETS**

**Notes to Financial Statements as on 29.02.24**

(RS. In Lakhs)

<b>Note :9 Non-Current Assets</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Property, Plant & Equipment				
Tangible assets	155.68	152.68	146.50	134.07
Less: Accumulated Depreciation on Tangible Asset	-111.16	(95.24)	(79.97)	-64.79
<b>Total</b>	<b>44.52</b>	<b>57.45</b>	<b>66.53</b>	<b>69.28</b>

<b>Note : 10 Deferred Tax Assets</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Deferred Tax Assets	8.30	6.24	4.53	3.17
<b>Total</b>	<b>8.30</b>	<b>6.24</b>	<b>4.53</b>	<b>3.17</b>

**Note : 11 Non Current Investment**

**Investment in Shares**

Unquoted fully paid up equity shares

**M/s Himachal Textile Park Ltd**

(41500 Equity Shares( Previous year - 41500) of

Rs 10/- each fully paid up )

<b>Total</b>	<b>4.15</b>	<b>4.15</b>	<b>4.15</b>	<b>4.15</b>
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GOFLEX LIMITED

Note 9A :-

RESTATED STATEMENT OF FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	Cost as on 01.04.2023	Additions	Sales/ adjustments	Cost as on 29.02.24	As on 01.04.2023	During the year	Adjustments	As on 29.02.24	As on 29.02.24	As on 31.03.2023
Electric & Misc	3.50	-	-	3.50	1.30	0.20		1.50	2.00	2.20
Office Equipments	0.82	-	-	0.82	0.39	0.10		0.49	0.34	0.44
Computer	4.02	-	-	4.02	0.58	0.55		1.13	2.89	3.44
Cars	144.34	3.00	-	147.34	92.97	15.07		108.04	39.30	51.37
<b>Total</b>	<b>152.68</b>	<b>3.00</b>		<b>155.68</b>	<b>95.24</b>	<b>15.93</b>		<b>111.16</b>	<b>44.52</b>	<b>57.45</b>
Previous year	146.50	6.18	-	152.68	79.97	15.27	-	95.24	57.45	66.53

FY 2022-23

Particulars	Gross Block				Depreciation				Net Block	
	Cost as on 01.04.2022	Additions	Sales/ adjustments	Cost as on 31.03.2023	As on 01.04.2022	During the year	Adjustments	As on 31.03.2023	As on 31.03.2023	As on 31.03.2022
Electric & Misc	1.17	2.32	-	3.50	1.12	0.18		1.30	2.20	0.06
Office Equipments	0.77	0.05	-	0.82	0.28	0.11		0.39	0.44	0.49
Computer	0.21	3.81	-	4.02	0.20	0.38		0.58	3.44	0.01
Cars	144.34	-	-	144.34	78.37	14.60		92.97	51.37	65.97
<b>Total</b>	<b>146.50</b>	<b>6.18</b>		<b>152.68</b>	<b>79.97</b>	<b>15.27</b>		<b>95.24</b>	<b>57.45</b>	<b>66.53</b>
Previous year	134.07	12.43	-	146.50	64.79	15.18	-	79.97	66.53	69.27

FY 2021-22

Particulars	Gross Block				Depreciation				Net Block	
	Cost as on 01.04.2021	Additions	Sales/ adjustments	Cost as on 31.03.2022	As on 01.04.2021	During the year	Adjustments	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021
Electric & Misc	1.17	-	-	1.17	1.12			1.12	0.06	0.06
Office Equipments	0.26	0.51	-	0.77	0.24	0.04		0.28	0.49	0.03
Computer	0.21	-	-	0.21	0.20			0.20	0.01	0.01
Cars	132.42	11.92	-	144.34	63.24	15.14		78.37	65.97	69.18
	134.07	12.43	-	146.50	64.79	15.18	-	79.97	66.53	69.27
Previous year	134.05	0.02	-	134.07	49.03	15.76	-	64.79	69.28	85.02

FY 2020-21

Particulars	Gross Block				Depreciation				Net Block	
	Cost as on 01.04.2020	Additions	Sales/ adjustments	Cost as on 31.03.2021	As on 01.04.2020	During the year	Adjustments	As on 31.03.2021	As on 31.03.2021	As on 31.03.2020
Electric & Misc	1.17	-	-	1.17	1.12			1.12	0.06	0.06
Office Equipments	0.25	0.02	-	0.26	0.21	0.02		0.23	0.03	0.03
Computer	0.21	-	-	0.21	0.19	0.01		0.20	0.01	0.02
Cars	132.42	-	-	132.42	47.51	15.73		63.24	69.18	84.91
	134.05	0.02	-	134.07	49.03	15.76	-	64.79	69.28	85.02
Previous year	134.26	9.63	9.85	134.05	37.49	16.19	4.66	49.03	85.02	96.77



**GOFLEX LIMITED**

**Trade receivables ageing schedule as on 29th Feb 2024**

Particulars	Not Due	Outstanding for following periods from the due date of payment				
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) Undisputed Trade Receivables -considered good	384.46	32.52	2.12	757.01	398.15	143.01
(ii) Undisputed Trade Receivables - which have a significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables -considered good	-	-	-	-	0.72	159.25
(v) Disputed Trade Receivables - which have a significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Trade receivables ageing schedule as on 31st March 2023**

Particulars	Not Due	Outstanding for following periods from the due date of payment				
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) Undisputed Trade Receivables -considered good	982.00	140.05	349.60	401.27	26.11	117.56
(ii) Undisputed Trade Receivables - which have a significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables -considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have a significant increase in credit risk	-	-	-	-	0.72	159.25
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Trade receivables ageing schedule as on 31st March 2022**

Particulars	Not Due	Outstanding for following periods from the due date of payment				
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) Undisputed Trade Receivables -considered good	721.78	241.84	131.07	-	-	-
(ii) Undisputed Trade Receivables - which have a significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables -considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have a significant increase in credit risk	-	-	-	1.84	33.55	401.63
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Trade receivables ageing schedule as on 31st March 2021**

Particulars	Not Due	Outstanding for following periods from the due date of payment				
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) Undisputed Trade Receivables -considered good	1,314.98	21.64	1.52	-	-	-
(ii) Undisputed Trade Receivables - which have a significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables -considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have a significant increase in credit risk	-	-	-	43.62	1.59	368.69
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-





<b>Note : 12 Inventories</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Finished Goods/Stock In Trade	435.81	210.53	210.62	429.71
Others (Waste & Scrap)		-	0.19	-
<b>Total</b>	<b>435.81</b>	<b>210.53</b>	<b>210.81</b>	<b>429.71</b>

#### **RESTATED STATEMENT OF TRADE RECEIVABLES**

<b>Note : 13 Trade Receivables</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
(unsecured & considered good)				
Debtors outstanding for a period exceeding six months from the date they are due from payment	1460.27	1,054.51	568.10	415.42
Debtors outstanding for less than six months from the date they are due from payment	416.99	1,122.05	963.62	1336.61
<b>Total</b>	<b>1,877.25</b>	<b>2,176.56</b>	<b>1,531.72</b>	<b>1,752.03</b>

#### **RESTATED CASH & CASH EQUIVALENTS**

<b>Note : 14 Cash &amp; Cash Equivalents</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Cash in Hand	5.89	4.24	7.11	7.90
Imprest with employees	25.46	29.26	9.59	9.80
<b>Balance with Banks:</b>				
Current Accounts	2.68	375.50	168.57	102.79
FDR for Bank Guarantee	214.66	24.80	14.65	10.90
<b>Total</b>	<b>248.69</b>	<b>433.80</b>	<b>199.92</b>	<b>131.38</b>

#### **RESTATED SHORT TERM LOANS & ADVANCES**

<b>Note : 15 Short-term Loans &amp; Advances</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Other Loans & Advances	1,625.57	1,275.90	556.13	838.59
Advance to Supplier	422.41	417.81	1,235.29	82.01
Prepaid Insurance	1.54	0.92	0.14	0.86
Advance tax & TDS/TCS	60.14	25.83	13.38	5.78
Security Deposit	19.12	38.74	9.57	3.18
Drawback Receivable	0.01	4.34	2.06	-
Income Tax refund	-	-	0.23	-
Vat Receivable	0.92	0.92	0.92	0.92
GST Receivable	-	42.74	67.48	25.89
Interest Receivable on FDR	8.83	0.61	0.61	-
Prepaid Expense	0.19	0.19	0.05	-
<b>Total</b>	<b>2,138.74</b>	<b>1,808.01</b>	<b>1,885.85</b>	<b>957.23</b>



## **GOFLEX LIMITED**

### **Notes to RESTATED PROFIT & LOSS A/C**

#### **RESTATED REVENUE FROM OPERATIONS** (RS. In Lakhs)

<b>Note : 16 Revenue from Operations</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Turnover & Operating Income	24,334.60	29,918.26	16,978.67	9536.26
<b>Net Turnover</b>	<b>24,334.60</b>	<b>29,918.26</b>	<b>16,978.67</b>	<b>9,536.26</b>

#### **RESTATED STATEMENT OF OTHER INCOME**

<b>Note :17 Other Incomes</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Foreign Exchange Income	0.41	90.12	10.93	11.52
Rebate & Discount	0.00	-	-	155.89
Interest Income	8.28	0.35	0.68	0.11
Prior Period Income	1.63	5.04	5.21	-
Drawback/MEIS Income	0.75	0.03	-	-
<b>Total</b>	<b>11.07</b>	<b>95.54</b>	<b>16.81</b>	<b>167.53</b>

#### **RESTATED STATEMENT OF COST OF MATERIAL CONSUMED**

<b>Note. 18 Cost of Material Consumed</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Opening Stock		-	-	48.09
Add: Purchases		-	-	4619.82
Less: Closing Stock		-	-	-
<b>Cost of Material Consumed</b>		<b>-</b>	<b>-</b>	<b>4,667.91</b>

#### **RESTATED STATEMENT OF CHANGE IN INVENTORIES**

<b>Note. 19 Purchase of Stock-in-Trade</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Trading goods	23,294.29	29,049.57	15,859.70	4,450.20
Stock Received from Job Worker	-	-212.64	212.64	-
Trade Discount		-95.00	-108.42	
<b>Total</b>	<b>23,294.29</b>	<b>28,741.93</b>	<b>15,963.92</b>	<b>4,450.20</b>

#### **Note 20 Change in Inventory**

<b>Finished Goods Work in Progress &amp; Waste</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Opening Stock of Finished Goods	210.53	210.62	427.86	164.05
Opening Stock of Work in progress		-	-	25.94
Opening Stock of Waste		0.19	-	2.47
<b>Sub Total A</b>	<b>210.53</b>	<b>210.81</b>	<b>427.86</b>	<b>192.46</b>
Closing Stock of Finished Goods	435.81	210.53	210.62	427.86
Closing Stock of Waste	-	-	0.19	-
<b>TOTAL (A-B)</b>	<b>-225.28</b>	<b>0.28</b>	<b>217.05</b>	<b>-235.40</b>

#### **RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES**

<b>Note :21 Employee benefit expense</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Salary, Wages, Allowances & other Benefits	82.02	87.10	81.20	101.70
Past Service Cost				3.31
Current Service Cost	0.52	2.28	1.63	2.03
<b>Total</b>	<b>82.55</b>	<b>89.38</b>	<b>82.83</b>	<b>107.04</b>



**RESTATED STATEMENT OF FINANCE COSTS**

<b>Note : 22 Financial Costs</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Interest on Car Loan	3.69	5.15	6.81	6.51
Interest on Purchase	10.86	12.57	11.27	8.83
Bank Charges	0.82	-	-	-
Bank Interest	5.35	1.52	1.07	1.40
LC Interest Charges	3.19	9.29	-	-
<b>Total</b>	<b>23.91</b>	<b>28.53</b>	<b>19.15</b>	<b>16.74</b>

**GOFLEX LIMITED**

**Notes to RESTATED PROFIT & LOSS A/C**

**RESTATED STATEMENT OF DEPRECIATION & AMORTIZATION EXPENSE**

<b>Note 23 Depreciation &amp; Amortization Expenses</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Depreciation	15.93	15.27	15.18	15.76
<b>Total</b>	<b>15.93</b>	<b>15.27</b>	<b>15.18</b>	<b>15.76</b>

**RESTATED STATEMENTS OF OTHER EXPENSES**

<b>Note 24 Other Expenses</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
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**RESTATED STATEMENT OF MANUFACTURING EXPENSES**

**A) Manufacturing Expenses**

Power & Fuel	-	-	-	46.91
Electricity Expenses	-	-	1.18	113.54
Commission on purchase	-	-	-	6.48
Machinery Store	-	-	-	6.61
Goods Tax	-	-	-	0.77
Electrical Store	-	-	-	3.17
General Store	-	-	3.21	8.61
Machinery Repair & Maintenance	-	-	-	13.77
Packing Material consumed	-	-	-	139.02
Job Work Charges	-	125.07	188.36	-
Cartage Inward	-	-	-	67.69
<b>Total (A)</b>	<b>-</b>	<b>125.07</b>	<b>192.76</b>	<b>406.57</b>

**RESTATED STATEMENT OF SELLING & DISTRIBUTION EXPENSES**

**B) Selling & Distribution Expenses**

Freight & Cartage Outward	401.26	504.20	251.35	196.89
Discount	-	0.00	0.01	6.11
Export Expenses	1.19	135.71	134.44	0.66
<b>Total (B)</b>	<b>402.45</b>	<b>639.91</b>	<b>385.80</b>	<b>203.66</b>



**RESTATED STATEMENT OF OPERATING , ADMINISTRATIVE & OTHER EXPENSES**

**C) Operating, Administrative & Other Expenses**

Payment to Auditors:

Audit Fee / Exp	0.27	0.30	0.30	0.30
Auditor Expenses	-	0.06	-	-
Director Sitting Fee	5.08	5.00	-	-
Travelling and Conveyance	8.99	9.34	9.36	13.08
Telephone & Internet Exp	0.48	0.28	0.27	0.38
Electricity Expense	4.35	4.19	-	-
Festival Expense	-	1.88	-	-
Printing & Stationery	0.17	0.35	0.21	0.79
Other Miscellaneous Expenses	0.64	4.69	0.51	1.12
Professional and Consultancy Charges	0.29	28.41	3.45	1.38
Legal Charges	16.00	12.75	-	-
Loading & Unloading Expenses	0.25	0.11	0.63	4.41
Foreign Exchange Fluctuation	0.00	8.42	-	-
Local Freight	0.01	0.07	0.04	0.17
Lease Rent				25.29
Office Expense	6.16	6.51	-	-
Office Rent	15.40	16.50	4.86	1.76
Insurance Charges	1.40	1.62	2.06	2.20
Repairs & Maintenance	3.78	1.62	7.50	5.57
Fees & Taxes	2.41	6.76	2.65	2.30
Commission & Brokerage	0.00	10.98	1.75	-
Fine & Penalty	0.47	0.21	1.45	-
Interest on late TDS/GST Deposit	10.49	7.45	2.40	1.70
<b>Total (C)</b>	<b>76.64</b>	<b>127.50</b>	<b>37.43</b>	<b>60.46</b>
<b>Total (A+B+C)</b>	<b>479.09</b>	<b>892.48</b>	<b>615.98</b>	<b>670.69</b>

**RESTATED STATEMENT OF EXCEPTIONAL ITEMS**

	<b>AMT (Rs)</b>			
<b>Note :25 Exceptional Items</b>	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Prior Period Expenses	0.10	5.14	10.05	3.12
Income Tax Earlier Years		-	-	0.70
<b>Total</b>	<b>0.10</b>	<b>5.14</b>	<b>10.05</b>	<b>3.82</b>

**Note: 26 Earning Per Share**

	<b>29-Feb-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>
Profit after Tax (Rs)	459.65	196.13	49.53	3.76
Weighted average no.of ordinary shares	2,53,200	2,53,200	2,53,200	2,53,200
Weighted average no.of diluted shares	2,53,200	2,53,200	2,53,200	2,53,200
Nominal Value of ordinary share (Rs)	10	10	10	10
Basic Earning Per Share (Rs)	181.54	77.46	19.56	1.49
Diluted Earning Per Share (Rs)	181.54	77.46	19.56	1.49



**RESTATED STATEMENT OF RELATED PARTY DISCLOSURE**

**Note: 27 Related Party Disclosures**

Information Related to Relating Party Transaction As Per Accounting Standard - 18, issued by Institute of Chartered Accountants of India is given below:

**(A) Associate Company**

NIL

**(B) Holding Company**

NIL

**(C) Subsidiary Company**

NIL

**(D) Key Managerial Personnel**

Name of Person	29.02.2024	31.03.2023	31.03.2022	31.03.2021
Vishal Sharma	Managing Director & CFO	aging Director & CFO	aging Director	aging Director
Sangeeta Mehra	Company Secretary	Company Secretary		

**E) Relatives of Key Management Personnel**

Anju Sharma

**Transactions with Related party**

(Rs: in Lakhs)

Remuneration to KMP	29.02.2024	31.03.2023	31.03.2022	31.03.2021
Vishal Sharma	16.50	18.00	11.84	-
Sangeeta Mehra	2.75	2.00	-	-
Remuneration to Relative of KMP				
Anju Sharma	11.00	12.00	12.00	-
Loan from Director				
Vishal Sharma	21.30	-	-	-

**RESTATED STATEMENT OF CONTINGENT LIABILITIES**

**Note: 28 Contingent Liabilities**

A)The Company has received a demand under Section 143(1) of the Income Tax Act, 1961 amounting to ₹2,33,730 for the AY. 2023-2024. The Company has taken the necessary actions and adjustments and has filed a rectification request, which is currently under process with the Income Tax Department. The final outcome of the rectification request is uncertain, and as such, this amount is disclosed as a contingent liability in the financial statements

B)The Company has received two demand orders under Section 143(1) of the Income Tax Act, 1961, amounting to ₹61,690 for AY 2010-2011 and ₹63,060 for AY 2011-2012. The Company has duly submitted its responses to both demands, and these matters are currently under review by the Income Tax Department. Given the pending resolution and the inherent uncertainty of the outcome, the total amount of ₹1,24,750 has been disclosed as a contingent liability in the financial statements

**For and on behalf of the board**  
**GOFLEX LIMITED**

Sd/-  
**Vishal Sharma**  
MD & CFO  
DIN 02151917  
PLACE: LUDHIANA  
DATE:12.06.2024

Sd/-  
**Sahir Thapar**  
Independent Director  
DIN 09607418

Sd/-  
**Sangeeta Mehra**  
Company Secretary  
M. No.69410

**For KR Aggarwal & Associates.**  
Chartered Accountants  
FRN. 030088N

Sd/-  
**(VIVEK ANEJA)**  
PARTNER  
M.NO. 544757  
UDIN-24544757BKACEP9183



**I. Material Adjustments in Restated Profit & Loss Account:**

Amount In Lakhs

Particulars	For the period and year ended			
	29-Feb-24	31-Mar-23	31-Mar-22	31-Mar-21
<b>Net Profit After Tax as per audited accounts but before adjustments for restated accounts:</b>	<b>455.49</b>	<b>205.48</b>	<b>47.50</b>	<b>4.81</b>
Adjustment for provision of Gratuity made as per AS-15 (Actuarial Basis) in Employee Benefit Expense as follows :	-	-	-	-
Past Service Cost	-	-	-	3.31
Current Cost of Service	0.52	2.28	1.63	2.03
Adjustment for Provision of Deferred Tax in respect of timing differences between taxable income and accounting Income	0.15	2.53	3.65	4.29
Adjustment for Previous Year Tax Expense	4.54	4.54	-	-
<b>Profit after Tax as per restated</b>	<b>459.65</b>	<b>196.13</b>	<b>49.53</b>	<b>3.76</b>

Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years:

*Adjustment for provision of Gratuity: The Entity has debited Gratuity payable (i.e past service cost & current service cost as per Accounting Standard-15) to employees in profit and loss account under the head of Employee Benefit Expense as provision was not made in earlier financial years, which has now been restated and impact has been given in respective periods as per Actuarial Certification based on Actuarial assumptions.*

(a)

*Adjustment for provision of Deferred Tax: The Entity has not recognized deferred tax asset on temporary differences provision of Gratuity, which has now been restated and impact has been given in the respective periods at income tax rates as applicable to the respective periods.*

(b)

**II. Material Adjustments in Restated Assets & liability Statement:**

Amount In Lakhs

Particulars	For the period and year ended			
	29-Feb-24	31-Mar-23	31-Mar-22	31-Mar-21
Share Capital/ Proprietor's Capital Account -	25.32	25.32	25.32	25.32
Reserve & Surplus	735.19	279.70	74.21	26.71
<b>Shareholders/Proprietor's Fund</b>	<b>760.51</b>	<b>305.02</b>	<b>99.53</b>	<b>52.03</b>
Adjustments for Deferred Tax and Current Tax Adjustment as per the table attached above	4.69	-7.07	3.65	4.29
Adjustment for provision of Gratuity made as per AS-15 (Actuarial Basis)	0.52	2.28	1.63	5.34
Adjustment arise on account of Restatement of Previous year Closing Balance of Reserves and Surplus	-8.37	0.98	-1.05	-
<b>Share Capital (Proprietor's Capital Account) as per Restated</b>	<b>756.29</b>	<b>296.65</b>	<b>100.51</b>	<b>50.98</b>
<b>Deferred Tax (Assets)/ Liabilities as per Books of Accounts</b>	<b>-2.75</b>	<b>-0.83</b>	<b>3.42</b>	<b>1.12</b>
Adjustment for provision of Deferred Tax	-0.15	2.53	-3.65	-4.29
Adjustment in opening Balance	-5.41	-7.94	-4.29	0.00
<b>Deferred Tax (Assets) / Liabilities as per Restated</b>	<b>-8.30</b>	<b>-6.24</b>	<b>-4.52</b>	<b>-3.17</b>



**ANNEXURE- VI RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS (Rs. In Lakhs Except per Share**

<b>Particulars</b>	<b>29/02/2024</b>	<b>31/03/2023</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
Net Worth (A)	756.29	296.63	100.51	50.98
Adjusted Profit after Tax (B)	459.65	196.13	49.53	3.76
Number of Equity Share outstanding as on the End of Year (C)	253200	253200	253200	253200
Weighted Average No. of Equity Shares at the time of end of the year (D)	253200	253200	253200	253200
Face Value per Share	10/-	10/-	10/-	10/-
Restated Basic & Diluted Earning Per Share (Rs.) B/D	181.54	77.46	19.56	1.49
Return on Net Worth (%) (B/A)	60.78%	66.12%	49.28%	7.38%
Net Asset Value per share (A/C) (Face Value of Rs. 10 Each) (Based on Actual Number of Shares)	298.69	117.15	39.69	20.13
Net Asset Value per share (A/C) (Face Value of Rs. 10 Each) (Based on Weighted average Number of Shares)	298.69	117.15	39.69	20.13
EBITDA	714.93	284.60	105.64	39.53



**RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender	Purpose	Sanctioned Amount (in Lakhs)	Rate of interest	Primary & Collateral security	Re- Payment Schdule	Long Term Debt as on 29.02.2024	Current Maturity as on 29.02.2024	Total As on 29.02.2024	Long Term Debt as on 31.03.2023	Current Maturity as on 31.03.2023	Total As on 31.03.2023	Long Term Debt as on 31.03.2022	Current Maturity as on 31.03.2022	Total As on 31.03.2022	Long Term Debt as on 31.03.2021	Current Maturity as on 31.03.2021	Total As on 31.03.2021
Yes Bank	Vehical Loan	33.3	14.20%	Hypothication of Vehical	60 Monthly EMI's of Rs: 77501/-inc. Interest	6.58	7.76	14.34	13.73	6.81	20.54	20.54	5.92	26.46	26.65	5.14	31.79
Yes Bank	Vehical Loan	10	14.20%	Hypothication of Vehical	60 Monthly EMI's of Rs: 23274 /-inc. Interest	1.98	2.33	4.31	4.12	2.06	6.18	6.17	1.78	7.95	8.00	1.54	9.55
Yes Bank	Vehical Loan	12.5	8.99%	Hypothication of Vehical	60 Monthly EMI's of Rs: 25862 /-inc. Interest	3.43	2.66	6.09	5.88	2.45	8.33	8.33	2.24	10.57	-	-	0.00
Union Bank Auto Loan	Vehical Loan	1.95	10.25%	Hypothication of Vehical	60 Monthly EMI's of Rs: 4102 /-inc. Interest	0.17	0.41	0.58	0.58	0.39	0.97	1.01	0.37	1.38	1.51	2.27	3.78
Mahindra Finance	Vehical Loan	6.3	16.80%	Hypothication of Vehical	36 Monthly EMI's of Rs: 22200 /-inc. Interest	-	-	-	-	-	-	-	1.06	1.06	1.10	0.24	1.34
Kotak OD	Overdraft	300	7.75%	Fixed Deposit	Renewal after 12 months	-	185.44	185.44	-	-	-	-	-	-	-	-	-





**RESTATED STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

Name of Lender	Purpose	Rate of interest	Re- Payment Schdule	Outstanding Amount as on 29.02.2024 as per books in Lakhs	Outstanding Amount as on 31.03.2023 as per books in Lakhs	Outstanding Amount as on 31.03.2022 as per books in Lakhs	Outstanding Amount as on 31.03.2021 as per books in Lakhs
JINDAL CYCLE P LTD	BUSINESS LOAN	Nil	Re-payable after 1 Year	194.57	194.98	232.08	54.75
JINDAL HOLDING & INVEST LTD	BUSINESS LOAN	Nil	Re-payable after 1 Year	142.37	196.51	197.05	41.50
WEATHERVANE INFRA P LTD	BUSINESS LOAN	Nil	Re-payable after 1 Year	86.10	96.10	96.10	-
GAJJAN MAJRA FEED	BUSINESS LOAN	Nil	Re-payable after 1 Year	1.50	1.50	20.00	-
Snehal Jindal	BUSINESS LOAN	Nil	Re-payable after 1 Year	-	-	9.94	10.00
Vishal Sharma	BUSINESS LOAN	Nil	Re-payable after 1 Year	21.30	-	-	-
Harsh Goyal	BUSINESS LOAN	Nil	Re-payable after 1 Year	23.90	-	-	-
Jindal Speciality Textiles Limited	BUSINESS LOAN	Nil	Re-payable after 1 Year	-	-	3.33	2.87
Rajinder Jindal	BUSINESS LOAN	Nil	Re-payable after 1 Year	-	-	-	5.46
<b>Grand Total</b>				<b>469.74</b>	<b>489.08</b>	<b>558.49</b>	<b>114.58</b>



### Ratio Analysis And Its Elements

Ratio	Measured in	Numerator	Denominator	29/02/2024		31/03/2023		31/03/2022		31/03/2021	Remarks
Current ratio	times	Current assets	Current liabilities	1.34	0.12	1.19	0.00	1.19	0.15	1.04	Due to Increase in Current Assets
Debt - equity ratio	times	Debt	Total equity	0.64	-0.63	1.73	-0.71	5.92	0.99	2.98	Due repayment of loans and Increase in profitability over the year
Debt service coverage ratio	times	Earnings available for debt service	Debt service	1.38	1.63	0.52	1.83	0.19	-0.24	0.24	Increase in Business performance
Return on Equity	times	Profit for the period	Average total equity	0.87	-0.12	0.99	0.51	0.65	7.53	0.08	Since Increase in Profits
Inventory turnover ratio	times	Sale of products	Average Inventory	75.30	-0.47	142.02	1.68	53.02	13.26	3.72	Increase in Inventories
Trade receivable turnover ratio	times	Revenue from operations	Average trade receivables	12.01	-0.26	16.14	0.56	10.34	1.86	3.62	Since recovery from debtors
Trade payable turnover ratio	times	Purchases	Average trade payables	8.07	-0.17	9.69	0.67	5.80	0.60	3.62	Payment of Creditors
Net capital turnover ratio	times	Net sales	Average working capital	21.40	-0.47	40.29	0.47	27.39	-0.64	75.55	Slight variation on the account of normal business practices
Net profit ratio	%	Net profit	Net sales	1.89%	1.88	0.01	1.25	0.0029	6.39	0.00039	Since Increase in Profits
Return on capital employed	%	Earning before interest and taxes	Capital employed	56.46%	0.67	0.34	1.34	0.14	0.06	0.14	-Do-
Return on investment	%	Income from investments	Weighted average of investments	9.68%	1.31	0.04	2.29	0.013	10.29	0.00112	-Do-



(Amt in Lakhs)

Particulars	Pre -Issue	Post-Issue	
<b>Borrowings</b>			
Short Term Borrowings (A)	198.60	198.60	
Long term Borrowings (B)	481.89	481.89	
<b>Total Debt ©</b>	<b>680.49</b>	<b>680.49</b>	
<b>Shareholders' Fund</b>			
Equity Share Capital	25.32	*	
Reserve and Surplus as Restated	730.97	*	
<b>Total Shareholders Funds</b>	756.29	*	
<b>Long Term Debt/Sharholders Fund (in Rs.)</b>	0.64	*	
<b>Total Debt/ Shareholders Fund( in Rs.)</b>	0.90	*	



## ANNEXURE VIII - RESTATED STATEMENT OF TAX SHELTER

(in Lakhs)

PARTICULARS	As on	As at 31st March		
	29/02/2024	31/03/2023	31/03/2022	31/03/2021
<b>Restated Profit Before Tax as per books(A)</b>	675.19	245.94	81.36	10.84
<b>Tax Rates</b>				
Income Tax Rates	27.82%	27.82%	26.00%	26.00%
<b>Adjustments (B)</b>				
Income Considered Separately	-8.28	-0.35	-0.68	-0.11
Disallowed	10.49	7.45	2.40	1.70
Total Adjustments	2.21	7.10	1.72	1.59
<b>Timing Difference (C)</b>				
Book Depreciation	15.93	15.27	15.18	15.76
Income Tax Depreciation allowed	-9.02	-11.39	-11.57	-11.46
Provision for Gratuity Fund	0.52	2.28	1.63	5.34
Total Timing Difference	7.43	6.15	5.24	9.65
<b>Net Adjustment D= (B+C)</b>	9.64	13.26	6.96	11.24
<b>Tax Expenses</b>				
<b>Income From Capital Gain</b>		-	-	-
<b>Income From Other Sources</b>		-	-	-
Bank Interest	8.28	0.35	0.68	0.11
<b>Total Income From other Sources (G)</b>	<b>8.28</b>	<b>0.35</b>	<b>0.68</b>	<b>0.11</b>
<b>Deduction Under Chapter VI (H)</b>		-	-	-
<b>Taxable Income / Loss (A+D+E+G+H)</b>	693.11	259.55	89.00	22.19
Tax Paid as per Normal Rates or MAT	Normal Rates	Normal Rates	Normal Rates	Normal Rates
<b>Interest Payable</b>		-	-	-
<b>Provision For Tax (I)</b>	<b>192.82</b>	<b>72.21</b>	<b>23.14</b>	<b>5.77</b>
<b>TDS/TCS(J)</b>	(60.14)	(25.83)	(13.38)	(5.78)
<b>Current Tax (I-J)</b>	132.69	46.38	9.76	(0.01)



**RELATED PARTY TRANSACTION REPORT FOR THE PERIOD ENDING 29.02.2024**

Sr. No.	Name of Related Parties	Relationship	Transaction	Opening balance	Value of transaction during the period/Receipts	Payments	Closing balance
1	VISHAL SHARMA	Managing Director & CFO (KMP)	Remuneration	1.22	14.30	12.90	2.62
2	Anju Sharma	KMP or their relatives are influence or control the enterprises or Common Directorship	Salary	0.93	11.00	11.00	0.93
3	VISHAL SHARMA	Managing Director & CFO (KMP)	Unsecured Loans	-27.30	50.00	1.40	21.3
	<b>Total</b>			<b>-25.15</b>	<b>75.30</b>	<b>25.30</b>	<b>24.85</b>

**Note :**



## FINANCIAL INDEBTEDNESS

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of the issuer Company, **GOFLEX LIMITED** and further explanations and information provided by the management of the Companies, which we believe to be true and correct to the best of our information and belief, the financial indebtedness of the company as at **29<sup>th</sup> February 2024** are as mentioned below:

(All amounts in ₹ lacs, unless otherwise stated)

Nature of Borrowing	Outstanding as on 29/02/2024
Secured Loan (A) (Long term & Short term Borrowings)	210.75
Unsecured Loan (B)	469.74
<b>Total</b>	<b>680.49</b>

### A. Secured Loans

(All amounts in ₹ lacs, unless otherwise stated)

Name of Lender	Purpose	Sanctioned Amount (Rs.)	Date of Sanction	Interest Rate	Primary & Collateral Security	Sanctioned Amount (Rs.)	Outstanding As on 29/02/2024
Yes Bank	Car Loan	33.33	06/11/2020	14.20%	Hypothecation	33.33	14.34
Yes Bank	Car Loan	10	09/11/2020	14.20%	Hypothecation	10	4.31
Yes Bank	Car Loan	12.50	20/04/2021	8.99%	Hypothecation	12.50	6.09
Union Bank of India	Auto Loan	1.95	18/11/2019	10.25%	Hypothecation	1.95	0.58
Kotak Bank (OD Against FDR)	Business Loan	300	29/04/2023	7.75%	Fixed Deposit	300	185.44
<b>Total</b>							<b>210.75</b>

### B. Unsecured Loans

(All amounts in ₹ lacs, unless otherwise stated)

Name of Lender	Purpose	Repayment Terms	Outstanding as on 29/02/2024
Loans from Directors and relatives	Working Capital Requirement	Repayable after 1 Year	21.30
Other long-term Loan from Corporate	Working Capital Requirement	Repayable after 1 Year	423.04
Loans from Other	Working Capital Requirement	Repayable after 1 Year	25.40
<b>Total</b>			<b>469.74</b>

For KR Aggarwal & Associates,  
Chartered Accountants,  
Firm Registration No: 030088N

Sd/-

**CA Vivek Aneja**

Partner

Membership No: 544757

UDIN: 24544757BKACDU6256

Place: Ludhiana

Date: 31.07.2024



## OTHER FINANCIAL INFORMATION

For details on other financial information please refer to Annexure VI “Statement of Mandatory Accounting Ratios” as restated on page no. 178 under the Chapter titled “Financial Information” beginning on page 155 of this Draft Red Herring Prospectus.

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

*The following discussion is intended to convey management's perspective on our financial condition and results of operations for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and for the period ended February 29, 2024. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial information" on page no. 155 of the Draft Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page no. 28 of this Draft Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page no. 21 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Goflex Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for Financial Years 2023, 2022 & 2021 and the stub period ending on 29<sup>th</sup> February 2024 included in this Draft Red Herring Prospectus beginning on page 155 of this Draft Red Herring Prospectus.*

### BUSINESS OVERVIEW

Our Company was originally incorporated as a Public Limited Company namely "R. Jain Capital Services Limited" under the Companies Act, 1956 vide certificate of incorporation dated March 24th, 1994 issued by Registrar of Companies, Punjab, H.P. and Chandigarh bearing registration no. 014363. Our company was converted into Private Limited company, subsequently the Company's name was changed to "Diwakshi Enterprises Private Limited" and fresh Certificate of Incorporation dated 16th March, 2004 was issued. Later on, the Company's name was changed from "Diwakshi Enterprises Private Limited" to "V S Yarns Private limited". Our Company's name was changed from "V.S Yarns Private Limited" to "Goflex Private Limited" and fresh Certificate of Incorporation dated 11th October, 2023 was issued by Registrar of Companies, Chandigarh. Subsequently, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on October 13th, 2023. A fresh Certificate of Incorporation consequent to conversion was issued on November 10th, 2023 by the Registrar of Companies, Chandigarh and consequently, the name of our Company was changed from "Goflex Private Limited" to "Goflex Limited". The Company's Corporate Identification Number is U24100PB1994PLC014363.

Goflex is engaged in the business of manufacturing of flex banner fabrics. Our Company is a supplier of different qualities of flex banners fabric. We have entered into a Contract Manufacturing arrangement with a more than a decade-old manufacturing company viz. Jindal Specialty Textiles Limited established in the state of Himachal Pradesh for manufacturing of Flex Banner Fabrics.

Goflex Limited imports raw materials like PVC Resin, TiO<sub>2</sub>, Warp knitted fabric from countries like China and South Korea. This depends upon the pricing available in the domestic market compared with international prices of the raw material.

Further, we are providing raw material to Jindal Specialty Textiles Limited for manufacturing the Flex Board Fabric. Raw Material like PVC Resin, DOP, TiO<sub>2</sub>, Stabiliser, Calcium carbonate, pigments, polyester warp





knitted fabric etc. are sold to Jindal Specialty by our Company.

Goflex Limited deals with B2B customers only. They have a dealer network spanning the country. The material is supplied to all the dealers vide closed or open body trucks and further the dealers supply the material to smaller dealers or printing companies who further use the material to print advertisements or signages.

PVC Flex banners are used for indoor and outdoor advertisements. We supply rolls of PVC flex banners. Goflex Limited also exports PVC flex banners and PVC film to countries, such as Brazil, UAE and Singapore.

## SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR AND STUB PERIOD

As per mutual discussion between the Board of the Company and Lead Manager, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- Zeta Appnomics Private Limited became the promoter of the Company w.e.f. July 22, 2024.
- The Board of Directors and the members of the Company approved the allotment of equity shares by way of Bonus Issue w.e.f. July 24, 2024.

## SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page no. 28 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Company’s results of operations and financial performance;
- Fluctuation in textile industry, which impacts the price for our company.
- Performance of Company’s competitors;
- Significant developments in India’s economic and fiscal policies;
- Volatility in the Indian and global capital market;
- Changes in political and social conditions in India
- Inflation, deflation, unanticipated turbulence in interest rates,
- Fluctuations in operating costs may results volatility in Company’s results of operations and financial performance;
- Our ability to meet our capital expenditure requirements and/or our failure to keep pace with rapid changes in technology;
- Our dependence on our key personnel, including our directors and senior management;
- Our ability to successfully implement our business strategy and plans;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control.

## DISCUSSION ON RESULT OF OPERATION

(Amount in Lakhs)

Particulars	For the year ended 29 February,	%age of Total Income	For the year ended 31 March,	%age of Total Income	For the year ended 31 March,	%age of Total Income	For the year ended 31 March,	%age of Total Income



	2024		2024		2023		2022	
<b>Income</b>								
Revenue from Operations	24,334.60	99.95	29918.26	99.68	16978.67	99.90	9536.27	98.27
Other Income	11.07	0.05	95.54	0.32	16.81	0.10	167.53	1.73
<b>Total Income (I + II)</b>	<b>24,345.67</b>	<b>100</b>	<b>30013.8</b>	<b>100</b>	<b>16995.48</b>	<b>100</b>	<b>9704</b>	<b>100</b>
<b>Expenditure</b>								
Cost of material consumed	0	0.00	0	0.00	0	0.00	4667.91	48.10
Purchases of Stock in Trade	23,294.29	95.68	28741.93	95.76	15963.92	93.93	4450.2	45.86
Changes in inventories	-225.28	-0.93	0.28	0.00	217.05	1.28	-235.4	-2.43
Employee benefits expenses	82.55	0.34	89.38	0.30	82.83	0.49	107.04	1.10
Other expenses	479.09	1.97	892.48	2.97	615.98	3.62	670.69	6.91
<b>Total expenses</b>	<b>23630.65</b>	<b>97.06</b>	<b>29724.07</b>	<b>99.03</b>	<b>16879.78</b>	<b>99.32</b>	<b>9660.44</b>	<b>99.55</b>
Profit Before Interest, Depreciation and Tax	715.02	2.94	289.73	0.97	115.7	0.68	43.36	0.45
Depreciation & Amortization Expenses	15.93	0.07	15.27	0.05	15.18	0.09	15.76	0.16
<b>Profit Before Interest and Tax</b>	<b>699.09</b>	<b>2.87</b>	<b>274.46</b>	<b>0.91</b>	<b>100.52</b>	<b>0.59</b>	<b>27.6</b>	<b>0.28</b>
Financial Charges (Finance cost)	23.91	0.10	28.53	0.10	19.15	0.11	16.74	0.17
<b>Profit before Taxation &amp; Exceptional Item</b>	<b>675.19</b>	<b>2.77</b>	<b>245.94</b>	<b>0.82</b>	<b>81.36</b>	<b>0.48</b>	<b>10.84</b>	<b>0.11</b>
Exceptional Item	0.1	0.00	5.14	0.02	10.05	0.06	3.82	0.04
<b>Profit before Taxation</b>	<b>675.09</b>	<b>2.77</b>	<b>240.8</b>	<b>0.80</b>	<b>71.31</b>	<b>0.42</b>	<b>7.02</b>	<b>0.07</b>
Current Tax	192.82	0.79	46.38	0.15	23.14	0.14	5.77	0.06
Deferred Tax	-2.07	-0.01	-1.71	-0.01	-1.36	-0.01	-2.51	-0.03
Earlier Years Tax Expense	24.68	0.10	0	0.00	0	0.00	0	0.00
<b>Profit After Tax but Before Extraordinary Items</b>	<b>459.65</b>	<b>1.89</b>	<b>196.13</b>	<b>0.65</b>	<b>49.53</b>	<b>0.29</b>	<b>3.76</b>	<b>0.04</b>
Extraordinary Items	-		-		-		-	
Profit Attributable to Minority Shareholders	-		-		-		-	
<b>Net Profit after adjustments</b>	<b>459.65</b>	<b>1.89</b>	<b>196.13</b>	<b>0.65</b>	<b>49.53</b>	<b>0.29</b>	<b>3.76</b>	<b>0.04</b>
<b>Net Profit Transferred to Balance Sheet</b>	<b>459.65</b>	<b>1.89</b>	<b>196.13</b>	<b>0.65</b>	<b>49.53</b>	<b>0.29</b>	<b>3.76</b>	<b>0.04</b>

\*Figures of February are not annualized.



The Geographical wise revenue breakup of the Company are as follows:

(Amount in Lakhs)

Product	For the period ended 29 <sup>th</sup> February 2024		For the period ended 31 <sup>st</sup> March, 2023		For the period ended 31 <sup>st</sup> March, 2022		For the period ended 31 <sup>st</sup> March, 2022	
	₹	%	₹	%	₹	%	₹	%
Andhra Pradesh	540.38	2.22	744.42	2.49	324.55	1.91	163.75	1.72
Assam	213.62	0.88	313.08	1.05	149.21	0.88	23.89	0.25
Bihar	157.55	0.65	588.71	1.97	474.77	2.80	222.31	2.33
Chandigarh	161.83	0.67	191.99	0.64	95.54	0.56	9.88	0.10
Chhattisgarh	105.96	0.44	149.48	0.50	117.92	0.69	10.68	0.11
Delhi	1521.64	6.25	2,164.88	7.24	1,515.70	8.93	1,042.37	10.93
Gujarat	228.11	0.94	742.00	2.48	945.87	5.57	542.16	5.69
Haryana	9809.05	40.31	9,058.06	30.28	1,707.99	10.06	57.32	0.60
Himachal Pradesh	6062.43	24.91	7,788.89	26.03	6,671.36	39.29	3,474.50	36.43
Jammu & Kashmir	126.69	0.52	72.92	0.24	-	0.00	-	0.00
Jharkhand	192.86	0.79	301.59	1.01	102.41	0.60	8.51	0.09
Karnataka	70.95	0.29	292.00	0.98	47.00	0.28	83.59	0.88
Kerala	162.31	0.67	285.27	0.95	304.53	1.79	40.29	0.42
Madhya Pradesh	89.07	0.37	256.31	0.86	95.01	0.56	12.47	0.13
Maharashtra	537.67	2.21	1,201.15	4.01	307.13	1.81	26.10	0.27
Odisha	160.03	0.66	127.18	0.43	-	0.00	-	0.00
Punjab	866.23	3.56	1,015.66	3.39	869.68	5.12	3,019.75	31.67
Rajasthan	579.65	2.38	688.35	2.30	406.12	2.39	91.44	0.96
Tamil Nadu	435.68	1.79	841.40	2.81	352.87	2.08	136.86	1.44
Telangana	318.44	1.31	307.02	1.03	-	0.00	-	0.00



Uttar Pradesh	1342.52	5.52	1,820.01	6.08	1,128.29	6.65	494.32	5.18
Uttarakhand	111.65	0.46	118.27	0.40	50.73	0.30	2.51	0.03
West Bengal	540.29	2.22	403.18	1.35	197.70	1.16	12.97	0.14
Exports:	-	-	446.43	1.49	1114.29	6.56	60.60	0.64
<b>Total</b>	<b>24,334.60</b>	<b>100</b>	<b>29,918.26</b>	<b>100.00</b>	<b>16,978.67</b>	<b>100</b>	<b>9,536.26</b>	<b>100</b>

### Our Significant Accounting Policies

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled “Financial Statements” beginning on page no. 155 of the Draft Red Herring Prospectus.

### Overview of Revenue & Expenditure

The following discussion on results of operations should be read in conjunction with the Restated Financial statements for the period ended on February 31, 2024 and Financial Year 2023, 2022 & 2021. Our revenue and expenses are reported in the following manner:

### Revenues

#### ◆ Revenue of operations

Our Company’s revenue is primarily generated from the business of selling of PVC Flex Banner Fabric.

#### ◆ Other Income

Other Income includes Interest Income from Bank and others, foreign exchange income, drawback or MEIS income and rebate income.

(Amount in Lakhs)

Particulars	For the period ended,			
	February 29, 2024	March 31, 2023	March 31, 2022	March 31, 2021
<b>Income</b>				
Revenue from Operations	24334.60	29918.26	16978.67	9536.27
As a % of Total Income	99.95%	99.68%	99.90%	98.27%
Other Income	11.07	95.54	16.81	167.53
As a % of Total Income	0.05%	0.32%	0.10%	1.73%
<b>Total Income</b>	<b>24345.67</b>	<b>30,013.8</b>	<b>16,995.48</b>	<b>9,704.8</b>

### Expenditure

Our total expenditure primarily includes purchase of stock in trade, change in inventory of stock in trade, Employee benefit expenses, and Other Expenses. We also have incurred financial charges and depreciation as expenditure, which we have shown separately from total expenditure.

#### ◆ Purchase of Stock in Trade

Our stock in trade includes purchasing of PVC resin, DOP, TiO<sub>2</sub>, stabilizer, calcium carbonate, pigments and polyester warp knitted fabrics.



◆ **Change in Inventory**

Our change in inventory includes difference between opening balance and closing balance of stock in trade.

◆ **Employment Benefit Expenses**

Our employee benefits expense primarily comprises of Salaries, Wages and Staff welfare expenses.

◆ **Finance Cost**

Our finance costs mainly include Bank interest, and interest on term and car loan.

◆ **Depreciation and Amortization Expenses**

Depreciation includes depreciation on Computers, Office Equipment's, Motor Cars etc.

◆ **Other Expenses**

Other Expenses includes majorly Freight outward, Electricity, Insurance, Rates & Taxes, Audit Fee, Commission, Legal and professional expenses, Repair and maintenance, and export expenses etc.

**PERIOD ENDED FEBRUARY 29, 2024 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2023 (BASED ON RESTATED FINANCIAL STATEMENTS)**

**Revenues**

◆ **Total Income**

Total Income for the period ended February 29, 2024, stood at Rs. 24,345.67 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 30,013.8 Lakhs, which is almost equivalent to 81.11% of the Total Income registered in full Financial Year 2022-23.

◆ **Revenue of operations**

Net revenue from operations for the period ended February 29, 2024, stood at Rs. 24,334.60 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 29,918.26 Lakhs, which is almost equivalent to 81.34% of the Revenue from Operations registered in full Financial Year 2022-23. The Marginal decrease in the total revenue from operations is on account of decrease in the prices of finished goods consequent to decrease in the prices of raw material.

◆ **Other Income**

Other Income for the Period ended February 29, 2024, stood at Rs. 11.07 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 95.54 Lakhs, which represents 0.05% and 0.32% of the Total Income of corresponding periods respectively. It decreased because of lesser foreign exchange gain in the period as there are no exports in the stub period, therefore no exchange fluctuation was recorded. In FY 2023 other income primarily comprised of Foreign Exchange Fluctuation Gain on account of export made in previous years whereas in the stub period, other income primarily comprises of Interest on FDR.

**Expenditure**

◆ **Total Expenses**

Total Expenses for the Period ended February 29, 2024, stood at Rs. 23670.49 Lakh whereas in Financial Year 2022-23 it stood at Rs. 29767.57 Lakh, which represents 97.23% and 99.18% of the Total Income of corresponding periods respectively, which is mainly due to better utilization of the resources, and cost reduction



techniques, which resulted in lesser expenses.

◆ **Purchase of Stock in trade**

Total purchase of stock in trade for the Period ended February 29, 2024, stood at Rs. 23,294.29 Lakh whereas in Financial Year 2022-23 it stood at Rs. 28,741.93 Lakh, which represents 95.68% and 95.76% of the Total Income of corresponding periods respectively.

◆ **Changes in Inventories of Stock in Trade**

Total changes in inventory of stock in trade for the Period ended February 29, 2024, stood at Rs. (225.28) Lakh whereas in Financial Year 2022-23 it stood at Rs. 0.28 Lakh, which represents (0.93%) and 0.00% of the Total Income of corresponding periods respectively

◆ **Employment Benefit Expenses**

Employee benefit expenses for the Period ended February 29, 2024, stood at Rs. 82.55 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 89.38 Lakhs which represents 0.34% and 0.30% of the Total revenue of corresponding periods respectively.

◆ **Other Expenses**

The Other Expenses for the Period ended February 29, 2024, stood at Rs. 479.09 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 892.48 Lakhs, which represents 1.97% and 2.97% of the Total Income of corresponding periods respectively. This reduction was due to decrease in Export Expenses, Freight & octroi, Professional & other Charges.

◆ **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Period ended February 29, 2024, stood at Rs. 15.93 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 15.27 Lakhs, which represents 0.07% and 0.05% of the total income of corresponding period respectively. It is calculated for the period and values, as per the utilization of assets for the Company's business.

◆ **Finance Cost**

Finance Cost for the Period ended February 29, 2024, stood at Rs. 23.91 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 28.53 Lakhs, which represents 0.10% and 0.10% of the Total Income of corresponding periods respectively, primarily due to lower interest charges.

◆ **Restated Profit before Tax**

The restated profit before tax for the Period ended February 29, 2024, stood at Rs. 675.09 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 240.8 Lakhs, which represents 2.77% and 0.8% of the Total Income of corresponding periods respectively, on account of fluctuation in prices and better utilization of resources.

◆ **Restated Profit after Tax**

The restated profit after tax for the Period ended February 29, 2024, stood at Rs. 459.65 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 196.13 Lakhs which represents 1.89% and 0.65% of the Total Income of corresponding periods respectively, in line with Profit before Tax.

**Conclusion for Increase in PAT margin:**

1. **Reduction in Price:** As price of material decreased, such as PVC resin, high quantity of stock was



purchased, taking the benefit of the lower prices. Hence, closing stock was standing at the end of the period February 29<sup>th</sup>, 2024.

- 2. Reduction in other Expenses:** The absence of export activities during the stub period eliminated export-related costs. At the same time, reduced freight and octroi charges further contributed to lowering overall expenses.

**Due to these two reasons PAT margin had marginal increase from 0.65% to 1.85%.**

## DETAILS OF FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022 (BASED ON RESTATED FINANCIAL STATEMENTS)

### Revenues

#### ◆ Total Income

Total Income for the Financial Year 2022-23, stood at Rs. 30,013.8 Lakhs whereas in Financial Year 2021-22 it stood at Rs.16,995.48 Lakhs representing an increase of 76.60%. This is due to strategic decision of company as it want to penetrate the market for wider market share.

#### ◆ Revenue of operations

Net revenue from operations For the Financial Year 2022-23 stood at Rs.29,918.26 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 16,978.67 Lakhs representing an increase of 76.21%. As in line with increase in total income due to market penetration. As it can be seen from geographical bifurcation table as mentioned at page no. 190 that company has expanded its operations in three new states i.e. Jammu and Kashmir, Odisha and Telangana. Along with this it had increased its revenue in other states as well. This led to increase in total revenue from operations.

#### ◆ Other Income

Other Income for the Financial Year 2022-23 stood at Rs. 95.54 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 16.81 Lakhs representing an increase of 468.35%. This is due to exchange fluctuation rate as per Account standards 11 (AS-11).

### Expenditure

#### ◆ Total Expenses

Total Expenses for the Financial Year 2022-23 stood at Rs.29,767.57 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs.16,914.11 Lakhs representing increase of 75.99% generally in line with the increase in total turnover and other incomes.

#### ◆ Purchase of stock in trade

Purchase of stock in trade for the Financial Year 2022-23 stood at Rs. 28,741.93 Lakhs. Whereas for the Financial year 2021-22, it stood at Rs. 15,963.92 Lakhs representing increase of 80.04% which is in line with increase in volume of goods sold

#### ◆ Change in Inventory

Change in Inventory for the Financial Year 2022-23 stood at Rs. 0.28 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 217.05 lakhs representing a decrease for 99.87%. As there is no major gap in opening and closing inventory for the FY 2022-23.



◆ **Employment Benefit Expenses**

Employee benefit expenses for the Financial Year 2022-23 stood at Rs. 89.38 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 82.38 Lakhs representing an increase of 7.91%. This was due to new recruitments in the financial year 2022-23.

◆ **Other Expenses**

The Other Expenses for the Financial Year 2022-23 stood at Rs. 892.48 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 615.98 Lakhs representing an increase of 44.89%, which is primarily due to enhanced freight and octroi as sales increased, also due to increase other administrative cost such as office rent, legal expenses, commission and brokerage expenses, etc.

◆ **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Financial Year 2022-23, stood at Rs.15.27 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 15.18 Lakhs, which is calculated for the period and values, as per the utilization of assets for the Company's business.

◆ **Finance Cost**

Finance Cost for the Financial Year 2022-23, stood at Rs. 28.23 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 19.15 Lakhs representing an increase of 47.42%, due to increase in interest cost on loan taken on new vehicle.

◆ **Restated Profit before Tax**

The restated profit before tax For the Financial Year 2022-23 stood at Rs. 240.8 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 71.31 Lakhs, representing an increase of 237.68%, It is primarily because of the increase in scale of operations, increase in revenue.

◆ **Restated Profit after Tax**

The restated profit before tax For the Financial Year 2022-23 stood at Rs. 196.13 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 49.53 Lakhs, representing an increase of 295.98%, in line with the increase in scale of operations, increase in revenue.

**Rationale for increase in Profit: CONCLUSION**

1. **Growth in Top Line:** As Revenue from operations increased due to market expansion, Revenue from operations increased.
2. **National Presence:** Expansion in three new states, helped the company to have increased sales.

**FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021 (BASED ON RESTATED FINANCIAL STATEMENTS)**

**Revenues**

◆ **Total Income**

Total Income for the Financial Year 2021-22 stood at Rs. 16,995.48 Lakhs. Whereas for the Financial Year 2020-21, it stood at 9703.80 Lakhs, representing increase of 75.14%. This is due increase in revenue from operations using the strategic decision of market penetration.

◆ **Revenue from operations**

Revenue from Operations for the Financial Year 2021-22 stood at Rs. 16,978.67 Lakhs. Whereas for the





Financial Year 2020-21, it stood at 9,536.27 Lakhs representing increase of 78.04% because of increase in sales due to market penetration.

◆ **Other Income**

Other Income for the Financial Year 2021-22 stood at Rs.16.81 Lakhs. Whereas for the Financial Year 2020-21, it stood at Rs. 167.53 Lakhs representing decrease of 89.97% due to reduced rebates and discounts received by the Company.

## Expenditure

◆ **Total Expenses**

Total Expenses for the Financial Year 2021-22 stood at Rs. 16,914.11 Lakhs. Whereas for the Financial Year 2020-21, it stood at Rs. 9,692.94 Lakhs representing an increase of 74.50%, generally in line with the increase in revenue

◆ **Cost of Material Consumed**

Cost of material consumed for the Financial Year 2021-22 stood at nil. Whereas for the Financial year 2020-21, it stood at Rs. 4,667.91 Lakhs representing decrease of 100% as company shifted from manufacturing oriented to trade oriented. It closed all its manufacturing units which were taken on lease.

◆ **Purchase of stock in trade**

Purchase of stock in trade for the Financial Year 2021-22 stood at Rs. 15,963.92. Whereas for the Financial year 2020-21, it stood at Rs. 9,118.11 Lakhs representing increase of 75.08% as in line with increase in revenue from operations.

◆ **Change in Inventory**

Change in inventory for the Financial Year 2021-22 stood at Rs. 217.05 Lakhs. Whereas for the Financial Year 2020-21, it stood at Rs. (235.4) representing an increase of 192.2%. This is due Increase in closing stock of finished goods as at 31<sup>st</sup> March, 2021.

◆ **Employment Benefit Expenses**

The Employee Benefit Expenses for the Financial Year 2021-22 stood at Rs. 82.83 Lakhs. Whereas for the Financial Year 2020-21, it stood at Rs.107.04 Lakhs representing a decrease of 22.62%. it is due to regrouping within remuneration heads, such as Managerial Remuneration.

◆ **Other Expenses**

The Other Expenses for the Financial Year 2021-22 stood at Rs. 615.98 Lakhs. Whereas for the Financial Year 2020-21, it stood at Rs. 670.69 Lakhs representing a decrease of 8.16% reduction in due to reduction in power and fuel expenses of the Company.

◆ **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Financial Year 2021-22 stood at Rs. 15.18 Lakhs. Whereas for the Financial Year 2020-21, it stood at Rs. 15.76 Lakhs representing a decrease of 3.68% which is calculated for the period and values, as per the utilization of assets for the Company's business.

◆ **Finance Cost**

The finance costs for the Financial Year 2021-22 stood at Rs. 19.15 Lakhs. Whereas for the Financial Year 2020-21, it stood at Rs. 16.74 Lakhs representing increase of 14.40%, this is due to increase in interest expenses



of the company.

◆ **Restated Profit before Tax**

The restated profit before tax For the Financial Year 2021-22 stood at Rs. 71.31 Lakhs. Whereas for the Financial Year 2020-21, it stood at 7.02 Lakhs. This is in line with increase and decrease in revenue and expenses as mentioned in separate line items.

◆ **Restated Profit after Tax**

The restated profit before tax For the Financial Year 2021-22 stood at Rs.49.53 Lakhs. Whereas for the Financial Year 2020-21, it stood at Rs. 3.76 Lakhs majorly due to factors mentioned above.

**INFORMATION REQUIRED AS PER ITEM (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:**

**1. Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled Risk Factors beginning on page no. 28 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in this Draft Red Herring Prospectus, particularly in the sections Risk Factors and Management 's Discussion and Analysis of Financial Condition and Results of Operations on pages 28 and 187, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations

**4. Income and Sales on account of major product/main activities**

Income and sales of our Company on account of major activities derives from the business of selling PVC flex banners fabric.

**5. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company's future costs and revenues can be impacted by an increase in labour costs as the company has major growth prospect, it may incur more labour cost to expand the business.

**6. Future relationship between Costs and Income**

Our Company's future costs and revenues will be determined by competition, demand/supply situation, Indian Government Policies, foreign exchange rates and interest rates quoted by banks & others.

**7. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction**



**of new products or services or increased sales prices.**

Increases in net sales is materially because of new strategy that is market penetration.

**8. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in technical textile Sector. Relevant industry data, as available, has been included in the chapter titled “Our Industry” beginning on page no. 92 of this Draft Red Herring Prospectus.

**9. Status of any publicly announced new products or business segments**

Our Company has not announced any new services and product and segment / scheme, other than disclosure in this Draft Red Herring Prospectus.

**10. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**11. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “Our Business” on page no. 105 of this Draft Red Herring Prospectus.

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## SECTION VII LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except, as stated in this section and mentioned elsewhere in this Draft Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.*

Except as disclosed below there are no:

- a) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years;
- b) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- c) pending proceedings initiated against our Company for economic offences;
- d) default and non-payment of statutory dues by our Company;
- e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies' law in the last five years against our Company, including fines imposed or compounding of offences done in those five years;
- f) material frauds committed against our Company in the last five years.

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/entities, would be considered material for the purposes of disclosure if:

- a) the monetary amount of the claim made by or against the Company, its joint venture(s) and directors in any such pending litigation is equal to or in excess of 10% of the consolidated revenue of the Company or 25% of the profits before tax of the Company (whichever is lower) as per the last audited financial statements of the Company for a complete financial year, as included in the Offer Documents; or
- b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a) above; and
- c) any such litigation which does not meet the criteria set out in (a) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company. Unless otherwise stated to contrary, the information provided is as of date of this Draft Red Herring Prospectus.



## **I. Litigations involving our Company**

### **A. Against our Company:**

#### **Litigation involving Criminal Matters**

##### ***a) SAR Global Private Limited vs V S Yarns Private Limited (COMA/627/2020)***

The complainant has filed a complaint before the Hon'ble Judicial Magistrate 1st Class, Bahadurgarh, against the accused for the dishonour of a cheque amounting to Rs. 2,00,000/-. The cheque, bearing no. 000334 dated 17.03.2020, was returned unpaid. The matter is currently pending, and the next hearing is scheduled for 30.09.2024.

#### **Litigation involving Civil Matters**

##### ***a) M/s Gokul Iron and Hardware Traders vs M/s V S Yarns Private Limited (CS/981/2020)***

In the case of M/s Gokul Iron and Hardware Traders vs M/s V S Yarns Private Limited (CS/981/2020), the defendants were ex parte, meaning they did not appear in court to contest the case. According to the case status available online, the matter was disposed of on 18.07.2024 by Hon'ble Civil Judge-24 (Junior Division), Ludhiana, with the nature of disposal being an Uncontested Decree Ex with Cost. This indicates that the court ruled in favor of the plaintiff, M/s Gokul Iron and Hardware Traders, without opposition from the defendant, and also awarded costs to be borne by the defendant.

##### ***b) Sh. Sanjeev Goel Proprietor of M/s Metro Udyog vs M/s V S Yarns Private Limited (CS (Comm)/284/2023)***

The case is pending before the Hon'ble District Judge (Commercial Court) - 01, North-West Rohini Courts, New Delhi. The plaintiff filed a commercial suit seeking the recovery of Rs. 60,96,000/- along with pendent lite and future interest from the defendant. The plaintiff alleges that the defendant received PVC resin/goods supplied by them but failed to make the necessary payment. The matter was first listed on 18.04.2023, and the most recent hearing was held on 19.03.2024. The next hearing is scheduled for 28.10.2024.

##### ***c) SAR Global Private Limited vs V S Yarns Private Limited (CS(Comm)/499/2023)***

The case is pending before the Hon'ble District Judge (Commercial Court) - 02, West Tis Hazari Courts, Delhi. The plaintiff has filed a commercial suit seeking the recovery of Rs. 7,12,770/-. The plaintiff alleges that the defendant received goods from them but failed to make the necessary payment. During the last hearing on 22.04.2024, the defendant's evidence was closed, and the matter is now scheduled for final arguments. The next hearing in this matter is set for 13.08.2024.

##### ***d) Qrex Flex Private Limited vs V S Yarns Private Limited (CS(COMM)/121/2024)***

The plaintiff has filed a commercial suit before the Hon'ble Additional Senior Civil Judge & AC JM – 54, Surat, seeking the recovery of Rs. 98,96,040/-. The plaintiff alleges that they supplied PVC PM 66R to the defendant. The matter was first listed on 22.02.2024 and is currently at the stage of Summons of Suit. The next hearing in the matter is scheduled for 06.08.2024.

### **B. By our Company:**

#### **Litigation involving Civil Matters**

##### ***a) Goflex Limited vs Ravi Mohan Sharma (CA/187/2024)***

The petitioner has filed an appeal under Section 96 of the CPC before the Hon'ble Additional District and Sessions Judge – 29, Ludhiana, challenging the judgment and decree dated 11.12.2023 passed by Hon'ble Ms.



Anubha Jindal, PCS, Civil Judge, Junior Division, Ludhiana for an amount of Rs. 7,71,342/- including interest at the rate of 9% per annum since 24.06.2016 till 11.12.2023 and further interest at the rate of 6% per annum from 11.12.2023 till the date of payment. The matter is currently pending, and the decree has not been stayed yet. The next hearing in the matter is scheduled for 09.09.2024.

**II. Litigations involving our Promoters/Directors**

**A. Against our Promoters/Directors:** Nil

**B. By our Promoters/Directors:** Nil

**III. Litigations involving our Group Entities**

**A. Against our Group Entities:** Nil

**B. By our Group Entities:** Nil

**IV. Litigations relating to the Subsidiary Company**

**A. Against Directors of our Subsidiary Company:** Nil

**B. By Directors of our Subsidiary Company:** Nil

*Note: Our Company has no Subsidiary Company as on the date of this Draft Red Herring Prospectus.*

**V. Other litigations involving any other entities which may have a material adverse effect on our Company**

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

**VI. Details of the past penalties imposed on our Company / Directors**

Except as disclosed above as on the date of this Draft Red Herring Prospectus, there are no cases in the last five years in which penalties have been imposed on our Company or our Directors.

**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 29.02.2024 our Company had outstanding dues to creditors as follows:

<i>(Amount in Lakh)</i>	
<b>Particulars</b>	<b>29.02.2024</b>
<b>Trade Payables</b>	<b>Amount</b>
Micro, Small and Medium Enterprises	-
Others	2786.91
<b>Total</b>	<b>2786.91</b>

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.



### **VIII. Material developments occurring after last balance sheet date, that is, February 29, 2024.**

Except as disclosed in the section titled –Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company beginning on page number 187 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its assets or its ability to pay its material liabilities within the next 12 months.

#### **We certify that except as stated herein above:**

- a. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters, group entities, companies promoted by the promoters during the past three years.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. There is no material regulatory or disciplinary action by SEBI, stock exchange or regulatory authority in the past five year in respect of our promoters, group company’s entities, entities promoted by the promoters of our company.
- i. There are no criminal cases filed or any investigation being undertaken with regard to alleged commission of any offence by any of our Directors. Further, none of our directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.
- j. The issue is in compliance with applicable provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.
- k. Neither the Company nor any of its promoters or directors is a willful defaulter.

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## GOVERNMENT AND OTHER APPROVALS

*In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorizations”) listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “Key Industry Regulation and Policies” beginning on page no. 119 of the Draft Red Herring Prospectus.*

### CORPORATE APPROVALS FOR THIS ISSUE

1. The Board of Directors have, pursuant to resolutions passed at its meeting held on July 22, 2024 has approved the Issue, subject to the approval by the shareholders of the Company under Section 62 (1) (c) of the Companies Act 2013.
2. The Shareholders have, pursuant to the resolution dated July 24, 2024 under section 62 (1) (c) of the Companies Act 2013, authorized the Issue.

### IN-PRINCIPLE APPROVAL

The Company has obtained approval from NSE vide its letter dated [.] to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.

### AGREEMENTS WITH NSDL AND CDSL

1. The Company has entered into an agreement dated June 24, 2024, with the Central Depository Services (India) Limited (CDSL), and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
2. The Company has also entered into an agreement dated July 19, 2024, with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
3. The Company’s International Securities Identification Number (ISIN) is **INE0Y5U01017**.

### INCORPORATION DETAILS OF OUR COMPANY

S. No.	Authorisation granted	Issuing Authority	CIN	Date of Issue	Valid upto
1.	Certificate of Incorporation in the name of “R. Jain Capital Services Limited”	ROC, Punjab, Himachal & Chandigarh	U17110PB1994PTC14363	March 24, 1994	Perpetual
2.	Certificate of Incorporation for conversion from “R. Jain Capital Services Limited” to “Diwakshi Enterprises Private Limited”	ROC, Punjab, Himachal & Chandigarh	U17110PB1994PTC14363	September 12, 2003	Perpetual
3.	Certificate of Incorporation for conversion from “Diwakshi	ROC, Punjab,	U17110PB1994PTC14363	March 16, 2004	Perpetual





	<i>Enterprises Private Limited” to “V. S. Yarns Private Limited”</i>	Himachal & Chandigarh			
4.	Certificate of Incorporation for conversion from “V. S. Yarns Private Limited” to “Goflex Private Limited”	ROC, Chandigarh	U17110PB1994PTC14363	October 11, 2023	Perpetual
5.	Certificate of Incorporation for conversion from “Goflex Private Limited” to “Goflex Limited”	ROC, Chandigarh	U17110PB1994PLC14363	November 10, 2023	Perpetual

### TAX RELATED AUTHORISATIONS OF COMPANY

S. No.	Authorization granted	Issuing Authority	Registration No. /Reference No. /License No.	Date of Issue	Validity
1.	Permanent Account Number	Income Tax Department, GOI	AABCD8578N	24.03.1994	Perpetual
2.	Tax Deduction Account Number	Income Tax Department, GOI	JLDV00916G	22.08.2008	Perpetual
3.	Details of GST registration of the Company				
	GST Registration Certificate (Punjab)	Centre Goods and Services Tax Act, 2017	03AABCD8578N1Z6	01.07.2017	Valid until cancellation
	GST Registration Certificate (Himachal Pradesh)	Centre Goods and Services Tax Act, 2017	02AABCD8578N1Z8	16.08.2018	Valid until cancellation

### NOC FROM AUTHORITIES

S. No.	PARTICULARS	ISSUING AUTHORITY	ISSUE DATE
01.	NA	NA	NA

**Material licenses/approvals for which our Company is yet to apply / Statutory Approvals/ Licenses required for the proposed expansion.**

*Note: Some of the approvals are in the name of Goflex Private Limited and the Company is in the process of taking all the approval in the new name of the Company i.e., Goflex Limited.*

**IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE-MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.**



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

1. This Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on July 22, 2024.
2. The Shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EGM held on July 24, 2024, and authorised the Board to take decisions in relation to this Issue.
3. The Company has obtained approval from NSE vide its letter dated [●] to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.
4. Our Board has approved this Draft Red Herring Prospectus through its resolution dated August 26, 2024.
5. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “*Government and Other Approvals*” beginning on page number 203 of this Draft Red Herring Prospectus.

### PROHIBITION BY SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been declared as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Our directors have not been declared as willful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

In view of the General Circular No. 07/2018 dated September 6, 2018 and General Circular No. 8/ 2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India, our Company, and our Promoter Group will ensure compliance with the Companies (Significant Beneficial Ownerships) Rules, 2018, upon notification of the relevant forms, as may be applicable to them.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

We confirm that none of our directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Draft Red Herring Prospectus.



## ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Offer in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as the Company's post issue paid-up capital is less than 10.00 Crore Rupees. Our Company also complies with the eligibility conditions laid by the Emerge Platform of NSE Limited for listing of our Equity Shares.

### We confirm that:

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue ***will be hundred percent underwritten and that the Lead Manager to the Offer will underwrite at least 15% of the Total Issue Size.*** For further details pertaining to said underwriting please refer to “General Information”- Underwriting on page no. 60 of this Draft Red Herring Prospectus.
- b) In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of fourth (4) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- c) In accordance with Regulation 246 of the SEBI (ICDR) Regulations, the Lead Manager shall ensure that the Issuer shall file a copy of the Draft Red Herring Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus/Prospectus with the Registrar of Companies.
- d) In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the Lead Manager will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled “General Information”- “Details of the Market Making Arrangements for this Issue” on page no. 62 of this Draft Red Herring Prospectus.
- e) In accordance with Regulation 228 (a) of the SEBI (ICDR) Regulations, neither the issuer, nor any of its promoters, promoter group or directors or selling shareholders are debarred from accessing the capital market by the Board;
- f) In accordance with Regulation 228 (b) of the SEBI (ICDR) Regulations, none of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board;
- g) In accordance with Regulation 228 (c) of the SEBI (ICDR) Regulations, neither the issuer nor any of its promoters or directors is a wilful defaulter or fraudulent borrower.
- h) In accordance with Regulation 228 (d) of the SEBI (ICDR) Regulations, none of the Issuer’s promoters or directors is a fugitive economic offender.
- i) In accordance with Regulation 230 (1) (a) of the SEBI (ICDR) Regulations, application is being made to NSE Limited and NSE Limited is the Designated Stock Exchange.
- j) In accordance with Regulation 230 (1) (b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
- k) In accordance with Regulation 230 (1) (c) of the SEBI (ICDR) Regulations, all the present Equity share Capital



fully Paid Up.

- 1) In accordance with Regulation 230 (1) (d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialized form.

### **NSE ELIGIBILITY NORMS:**

1. The Company has been incorporated under the Companies Act, 2013 in India.
2. The post issue paid up capital of the Company (face value) will not be more than Rs. 25.00 Crore Rupees.
3. **Track Record:**
  - a. **The Company should have a track record of at least 3 (three) years.**  
Our Company was incorporated on March 24,1994 under the provisions of Companies Act, 1956, therefore we are in compliance of the track record.
  - b. The Company should have operating profit (earnings before interest, depreciation and tax) from operations for at least 2 financial years preceding the application and that the Company has track record of 3 years & the net-worth of the Company should be positive

(Rs. In Lakh)

<b>Particulars</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-21</b>
Operating profit (earnings before interest, depreciation and tax)	289.74	115.69	43.35
Net-worth	296.63	100.51	50.98

### **Other Requirements**

- The company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. Also, the Equity Shares allotted through this Issue will be in dematerialized mode.
- Our Company has a live and operational website: & <https://goflexltd.com/>
- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against our Company that has been accepted by a court.
- There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.
- There has been no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the NSE Emerge.

### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER FAST TRACK FINSEC PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT**



**IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER, FAST TRACK FINSEC PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FAST TRACK FINSEC PRIVATE LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 08, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website [www.ftfinsec.com](http://www.ftfinsec.com) & <https://goflexltd.com/> would be doing so at his or her own risk.

#### **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, *etc.* The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective associates in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance



Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs.2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Punjab only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with NSE Emerge for its observations and NSE Emerge gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE**

National Stock Exchange of India Limited (NSE/NSE Limited) has given vide its letter dated [●] permission to this Company to use its name in this offer document as one of the stock exchange on which this company's securities are proposed to be listed on the Emerge Platform. NSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. NSE Limited does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offer or will continue to be listed on NSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by NSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE, whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.



- v. NSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the Emerge platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by NSE / other regulatory authority. Any use of the Emerge platform and the related services are subject to Indian Laws and Courts exclusively situated in Mumbai.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT.**

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, -U.S Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to “Annexure A” to the Draft Red Herring Prospectus and the website of the Lead Manager at [www.ftfinsec.com](http://www.ftfinsec.com).



**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)**

**TABLE 1**

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.	Ambey Laboratories Limited	42.55	68.00	July 11, 2024	89.25	(26.16)	Not Applicable	Not Applicable	SME
						0.13			
2.	Akiko Global Services Limited	23.11	77.00	July 02, 2024	93.35	(26.99)	Not Applicable	Not Applicable	SME
						3.68			
3.	Enser Communications Limited	16.17	70.00	March 22, 2024	70.1	(2.99)	146.36	Not Applicable	SME
						1.08	6.65		
4.	Sungarner Energies Limited	5.31	83.00	August 31, 2023	262.35	(17.66)	(27.57)	23.91	SME
						(0.95)	4.37	15.29	
5.	Pearl Green Clubs and Resorts	11.71	186.00	July 07,	198.50	3.27	(0.50)	(2.92)	SME
						11.95	45.52	102.80	
6.	Globesecure Technologies Limited	10.12	29.00	June 02, 2022	37.10	212.9	313.07	125.47	SME
						(5.35)	14.94	38.57	
7.	Jeena Sikho Lifecare Limited	55.50	150.00	April 19,20	173.35	(12.69)	(18.16)	(15.17)	SME
						(2.42)	(7.09)	22.78	
8.	SBL Infratech Limited	2.37	111.00	September	125.00	(55.20)	(64.8)	(47.72)	SME
						(0.53)	(3.77)	(3.48)	
9.	Kranti Industries Limited	2.09	37.00	February	36.95	(1.22)	2.84	(12.04)	SME
						(8.38)	1.62	(3.16)	
10.	Goblin India Limited	15.20	52.00	October 15,	56.60	125.7	80.21	(27.20)	SME
						4.62	8.70	(20.29)	





11.	Ascom Leasing and Investments	6.32	30.00	December	30.00	5.00 (0.60)	0.00 (5.47)	15.83 (15.60)	SME
12.	Trekkingtoes.Com Limited	4.54	105.00	August 28,	99.75	(55.59) (3.77)	(59.90) 12.14	(67.92) 28.67	SME

All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

**Note:**

- The S&P, SME IPO, Sensex and CNX Nifty are considered as the Benchmark Index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

**TABLE 2**

**Summary Statement of Disclosure**

Financial Year	Total no. of IPOs	Total Amount of Funds raised (Rs. Cr.)	No. of IPOs trading at discount-30th calendar days from listing			No. of IPOs trading at premium-30th calendar days from listing			No. of IPOs trading at discount-180th calendar days from listing			No. of IPOs trading at premium-180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25*	2	69.78	-	2	-	-	-	-	-	-	-	-	-	-
2023-24	1	21.48	-	-	-	1	-	-	-	-	-	-	-	-
2022-23	3	77.32	-	-	1	1	-	1	-	-	2	1	-	-
2021-22	1	2.37	1	-	-	-	-	-	-	1	-	-	-	-
2020-21	1	4.54	1	-	-	-	-	-	1	-	-	-	-	-
2019-20	2	21.52	1	-	1	-	-	-	-	1	1	-	-	-
2018-19	1	2.09	-	-	1	-	-	-	-	-	1	-	-	-

\*Upto the date of this Draft Red Herring Prospectus

**LISTING**

Application will be made to the NSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.



The Emerge Platform of NSE Limited has given its in-principle approval for using its name in our Offer documents vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of NSE Limited, our Company will forthwith repay, without interest, all moneys received from the Applicant in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE Limited mentioned above are taken within three Working Days from the Offer Closing Date.

### **Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:*

*“Any person who:*

- a. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- b. otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”*

### **CONSENTS**

Consents in writing of:(a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) Lead Manager, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing final Draft Red Herring Prospectus to ROC) and will be filed along with a copy of the Draft Red Herring Prospectus with the ROC, as required under Section 26 of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the ROC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Red Herring Prospectus with NSE.

### **EXPERT OPINION**

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits; (c) Audit reports by Peer Review Auditors for period ended 29<sup>th</sup> February, 2024, 31<sup>st</sup> March, 2023 & 2022 and. our Company has not obtained any other expert opinion. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

### **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION**

We have not made any previous rights and/or public issues since incorporation, and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an –Initial Public Offering in terms of the SEBI (ICDR) Regulations.



## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Other than as detailed under chapter titled “Capital Structure” beginning on page no. 64 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

## **PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY**

None of our Group Companies and Associates are listed and have undertaken any public or rights issue in the three (3) years preceding the date of this Draft Red Herring Prospectus.

## **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF OUR COMPANY**

We have not made any previous rights and/or public issues since incorporation, and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an –Initial Public Offering in terms of the SEBI (ICDR) Regulations.

## **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED SUBSIDIARIES OF OUR COMPANY**

As on the date of the Draft Red Herring Prospectus, our Company does not have any subsidiary company.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of the Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## **OPTION TO SUBSCRIBE**

Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Offer is an Initial Public Offering in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Offer may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted. All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address



of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Applicant.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicant shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Offer for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Sangeeta as the Company Secretary and Compliance Officer and may be contacted at the following address:

### **GOFLEX LIMITED**

B-XX- 3369, Fifth Floor,  
Gurdev Nagar, Ferozpur Road,  
Ludhiana, Punjab 141001  
E-mail: [info@goflexltd.com](mailto:info@goflexltd.com)  
Website: <https://goflexltd.com/>

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

*This page has been left blank intentionally.*



## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further, vide the said circular, Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on July 22, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on July 24, 2024.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including in respect of the right to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to Section titled “*Description of Equity Shares and terms of the Articles of Association*” beginning on Page No. 270 of the Draft Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to chapter titled “*Dividend Policy*” beginning on Page No. 154 of the Draft Red Herring Prospectus.



### **Face Value, Issue Price, Floor Price and Price Band**

The face value of each Equity Share is ₹ 10/- and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“**Floor Price**”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“**Cap Price**”).

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Punjabi editions of [●] (a Punjabi language newspaper with wide circulation, Punjabi being the regional language of Punjab, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on its websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “**Basis of Issue Price**” beginning on page no. 83 of this Draft Red Herring Prospectus.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised



form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated July 19, 2024.
- Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated June 24, 2024.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the National Stock Exchange of India Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

#### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders. In case, the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

#### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, —U.S. personal (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh



nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agent of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" on page no. 64 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled "*Description of Equity Shares and terms of the articles of association*" on page no. 270 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

#### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Issue after the Issue Closing Date and thereafter determines that it will





proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus/Red Herring Prospectus with Stock Exchange.

## ISSUE PROGRAM

Events	Indicative Dates
<b>Anchor open/close Date*</b>	[●]
<b>Bid/Issue Opening Date*</b>	[●]
<b>Bid/Issue Closing Date**^</b>	[●]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before [●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account</b>	On or before [●]
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	On or before [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or before [●]

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

\*\*Our Company may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

#In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall follow the timelines provided under the aforementioned circular.



Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above- mentioned timelines. Further, the Offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non- adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

#### **Submission of Bids**

##### **Bid/Issue Period (except the Bid/Issue Closing Date)**

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))

##### **Bid/Issue Closing Date**

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST

##### **On the Bid/Issue Closing Date, the Bids shall be uploaded until:**

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.



In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

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

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the —stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000 (Rupees One Lac only) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## Migration to Main Board

Parameter	Migration policy from NSE SME Platform to NSE Main Board
Paid up Capital & Market Capitalisation	The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalisation of the applicant's equity shall not be less than 25 crores**  ** Explanation  For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares
Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
Listing period	The applicant should have been listed on SME platform of the Exchange for at least 3 years.
Other Listing conditions	<ul style="list-style-type: none"> <li>• The applicant Company has not referred to the Board of Industrial &amp; Financial Reconstruction (BIFR) &amp;/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.</li> <li>• The company has not received any winding up petition admitted by a NCLT.</li> <li>• The net worth* of the company should be at least 50 crores</li> </ul> <p>*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</p>
Public Shareholders	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000.
The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:	<ul style="list-style-type: none"> <li>• The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.</li> <li>• Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.</li> <li>• Redressal mechanism of Investor grievance</li> <li>• PAN and DIN no. of Director(s) of the Company</li> <li>• Change in Control of a Company/Utilization of funds raised from public</li> </ul>

## Market Making

The shares issued and transferred through this Issue are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of National Stock



Exchange of India Limited. For further details of the market making arrangement please refer to it under chapter titled “*General Information*” on page no. 55 of this Draft Red Herring Prospectus.

#### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

#### **Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting**

Except for lock-in of the pre-Issue Equity Shares and Promoter’s minimum contribution in the Issue as detailed in the chapter “*Capital Structure*” beginning on page no. 64 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.



### **Option to receive securities in Dematerialized Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Further, it is mandatory for the investor to furnish the details of his/her depository account, & if for any reason, details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes, etc. issued by our Company.

*This space has been left blank intentionally*



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital will be upto ₹ [●] lakhs, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“**SME Exchange**”, in this case being the Emerge Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue, please refer chapter titled “**Terms of Issue**” and “**Issue Procedure**” on page no. 216 and 231 respectively of this Draft Red Herring Prospectus.

This public issue comprises of upto 22,78,400 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 (the “**Issue Price**”) aggregating up to ₹ [●] lakhs (“the issue”) by our Company. The Issue and the Net Issue will constitute [●]% and [●]% respectively of the post issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process<sup>(1)</sup>:

Particulars of the Issue (2)	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	Up to [●] Equity Shares of face value of ₹ 10 each	Not more than [●] Equity Shares of face value of ₹ 10 each	Not less than [●] Equity Shares of face value of ₹ 10 each	Not less than [●] Equity Shares of face value of ₹ 10 each
Percentage of Issue size available for allocation	[●]% of the issue size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion  Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of	Firm Allotment	Proportionate as follows:	Proportionate	Proportionate



Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Allotment (3)		Up to [●] Equity Shares of face value of ₹ 10 each shall be available for allocation on a proportionate basis to Mutual Funds only; and Up to [●] Equity Shares of face value of ₹ 10 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above		
Mode of Bid	Only through the ASBA Process	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares of face value of ₹ 10 each in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares of face value of ₹ 10 each that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each that Bid size exceeds ₹ 200,000	[●] Equity Shares of face value of ₹ 10 each in multiple of [●] Equity Shares of face value of ₹ 10 each so that the Bid Amount does not exceed ₹ 2,00,000
Maximum Bid Size	[●] Equity Shares of face value of ₹ 10 each	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each not exceeding the size of the issue (excluding the QIB portion), subject to limits as	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each so that the Bid Amount does not exceed ₹





Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
			applicable to the Bidder	2,00,000
Trading Lot	[●] Equity Shares of face value of ₹ 10 each, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares of face value of ₹ 10 each and in multiples thereof	[●] Equity Shares of face value of ₹ 10 each and in multiples thereof	[●] Equity Shares of face value of ₹ 10 each
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the ASBA process (excluding the UPI Mechanism).	Only through the ASBA process (excluding the UPI Mechanism).	Only through the ASBA process (including the UPI Mechanism for a Bid size of up to ₹ 500,000)	Only through the ASBA process (including the UPI Mechanism)

- (1) This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018, this is an issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the issue price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- (4) Our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2018, as amended. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price.
- (5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details please refer to the section titled “*Issue Procedure*” beginning on page no. 231 of the Draft Red Herring Prospectus.



## Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right to not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Punjabi editions of [●] (a Punjabi language newspaper with wide circulation, Punjabi being the regional language of Punjab, where our Registered Office is located), each with wide circulation.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus with ROC.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Ludhiana, Punjab.

## BID/ ISSUE PROGRAMME

Events	Indicative Dates
Anchor Open/Close Date*	[●]
Bid/Issue Opening Date*	[●]
Bid/Issue Closing Date**^	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

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

\*\*Our Company may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.



*#In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.*

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

- i. A standard cut-off time of 3.00 p.m. for acceptance of bids.
- ii. A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- iii. A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by National Stock Exchange of India Limited after taking into account the total number of bids received up to the closure of timings and reported by BRLM to National Stock Exchange of India Limited within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Issue in accordance with the timeline provided under the aforementioned circular.

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## ISSUE PROCEDURE

All Bidders shall review the “General Information Document for Investing in Public Issues” prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Bidders; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”) and this phase was to continue till March 31, 2020 and post which reduced timeline from T+6 days to T+3 days was to be made effective using the UPI Mechanism for applications by RIBs. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”), and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 (“T+3 SEBI Circular”). The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification



or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Red Herring Prospectus. SEBI, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application size are up to ₹5 lakhs shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead manager shall continue to coordinate with intermediaries involved in the said process.

## BOOK BUILDING PROCEDURE

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under- subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Issue, subject to applicable laws.**



## AVAILABILITY OF RED HERRING PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Draft Red Herring Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

### Phased implementation of Unified Payments Interface

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.
- b) Phase II: This phase has commenced with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.
- c) Phase III/T+3: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 vide T+3 Press Release. In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Press Release as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from



the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors complaints in this regard, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form*</b>
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White



Category	Colour of Application Form*
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

*Note: Electronic Bid Cum Application Forms will also be available for download on the website of the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).*

*\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.*

**Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.**

**Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).**

**Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.**

**The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.**

**An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)**

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*





**The upload of the details in the electronic bidding system of stock exchange will be done by:**

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

**Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re- submission within the time specified by stock exchange.**

**Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.**

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Issue Closing Date (“Cut- Off Time”). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.



## WHO CAN BID?

**Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.**

**Subject to the above, an illustrative list of Bidders is as follows:**

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non- Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;



- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **APPLICATIONS NOT TO BE MADE BY**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples [●] Equity Shares of face value of ₹ 10 each thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are**



**not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **METHOD OF BIDDING PROCESS**

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Punjabi editions of [●] (a Punjabi language newspaper with wide circulation, Punjabi being the regional language of Punjab, where our Registered Office is located) each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Punjabi editions of [●] (a Punjabi language newspaper with wide circulation, Punjabi being the regional language of Punjab, where our Registered Office is located) each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.
- b) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- c) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- e) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- f) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand



option. The TRS shall be furnished to the ASBA Bidder on request.

- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

**The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.**

#### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders:**



1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Punjabi editions of [●] (a Punjabi language newspaper with wide circulation, Punjabi being the regional language of Punjab, where our Registered Office is located) each with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.



## **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

## **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company’s paid-up share capital carrying voting rights.

## **BIDS BY ELIGIBLE NRIS**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non- repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non- repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether



their bank account is UPI linked prior to making such application. For details of investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page no. 267. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

### **BIDS BY FPIS**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. **FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.**

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which Finalize the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (“Operational FPI Guidelines”), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“MIM Bids”). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that Finalize the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “MIM Structure”). In order to ensure valid Bids, FPIs making MIM Bids using the same





PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

#### **BIDS BY SEBI-REGISTERED AIFS, VCFs AND FVCIS**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non- financial activities permitted for banking companies in terms of Section



6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less.

#### **BIDS BY SCSBS**

SCSBSs participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBSs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBSs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **BIDS BY SYSTEMICALLY IMPORTANT NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on



investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors



on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:

- where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
  - 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
  - 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
  - 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
  - 10) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.
  - 11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
  - 12) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM



may deem fit.

### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process



for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

- a) For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of: a. In case of resident Anchor Investors: — “[•] – Anchor Account- R”
- b) In case of Non-Resident Anchor Investors: — “[•] – Anchor Account- NR”
- c) Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them or
  - iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they



will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.

6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.



9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**





- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

**Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue, it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.**

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

**The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.**

*Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.*

## GENERAL INSTRUCTIONS

### Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;



3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board



of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.

16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to finalize blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available online on the website of [www.sebi.gov.in](http://www.sebi.gov.in)); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.



***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
1. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
2. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
3. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
4. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
5. Do not submit the Bid for an amount more than funds available in your ASBA account.
6. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
7. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
8. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
9. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
10. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
11. Do not submit the General Index Register (GIR) number instead of the PAN;
12. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
14. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
15. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
16. Do not submit a Bid using UPI ID, if you are not a RIB;
17. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
18. Do not Bid for Equity Shares in excess of what is specified for each category;
19. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
21. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
22. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries



and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;

23. Do not Bid if you are an OCB; and

24. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “**General Information**” and “**Our Management**” beginning on pages 55 and 133, respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “**General Information**” beginning on page no. 55.

### **GROUNDINGS FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance



Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” beginning on page 55.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); ‘T’ being issue closing date. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Issue in accordance with the timeline provided under the aforementioned circular. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

Names of entities responsible for finalized the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-



subscription applicable to the Issuer, Bidders may refer to the RHP.

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

**The allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.**

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of ₹ 10 each at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares of face value of ₹ 10/- each at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10/- each thereafter. For the method of proportionate Basis of Allotment, refer below.

#### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of ₹ 10/- each at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares of face value of ₹ 10/- each at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10/- each thereafter. For the method of proportionate Basis of Allotment refer below.

#### **c. Allotment to Anchor Investor (If Applicable)**

- a)** Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
  - i.** not more than 60% of the QIB Portion will be allocated to Anchor Investors;



- ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
  - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

**d. For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- i. In the first instance, allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- ii. In the second instance, allotment to all QIBs shall be determined as follows:
  - In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares of face value of ₹ 10/- each and in multiples of [●] Equity Shares of face value of ₹ 10/- each thereafter, along with other QIB Bidders.
  - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares of face value of ₹ 10/- each.

iii. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the National Stock Exchange of India Limited Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived





at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares appliedfor).

- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] Equity Shares of face value of ₹ 10/- each the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] Equity Shares of face value of ₹ 10 each ; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] Equity Shares of face value of ₹ 10/- each, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] Equity Shares of face value of ₹ 10/- each subject to a minimum allotment of [●] Equity Shares of face value of ₹ 10/- each.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares of face value of ₹ 10 each, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

**Retail Individual Investor means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.**

**The Executive Director / Managing Director of National Stock Exchange of India Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures that credit of shares to the successful Bidders Depository Account



is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:**

**On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.**

**The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.**

**Instructions for Completing the Bid Cum Application Form**

**The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.**

**SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com)**

**Bidder's Depository Account and Bank Details**

**Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.**

**Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.**

**By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.**



### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 3(three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Issue in accordance with the timeline provided under the aforementioned circular.



## BASIS OF ALLOTMENT

Allotment will be made in consultation National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] Equity Shares of face value of ₹ 10 each the allotment will be made as follows:
  - i. Each successful applicant shall be allotted [●] Equity Shares of face value of ₹ 10 each; and
  - ii. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity Shares of face value of ₹ 10 each, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] Equity Shares of face value of ₹ 10 each subject to a minimum allotment of [●] Equity Shares of face value of ₹ 10 each.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

## BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the National Stock Exchange of India Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non- Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

## Equity Shares in Dematerialised Form with NSDL/CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated July 19, 2024



- b) Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated June 24, 2024.
- c) The Company's Equity shares bear an ISIN No. INE0Y5U01017.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the ROC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: ([●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Punjabi editions of [●] (a Punjabi language newspaper with wide circulation, Punjabi being the regional language of Punjab, where our Registered Office is located) each with wide circulation.

In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

- a) Our Company and the Underwriter intend to enter into an Underwriting Agreement on or before the filing of Red Herring Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the ROC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

#### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:



*“Any person who:*

- I. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- II. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- III. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Draft Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing



Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

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## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular. The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to *inter-alia*, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, *inter-alia* with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company. The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/ due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI





guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap. Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

##### ***i. Investment by FPIs under Portfolio Investment Scheme (PIS):***

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

##### ***ii. Investment by NRI or OCI on repatriation basis:***

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference 373 shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.



***iii. Investment by NRI or OCI on non-repatriation basis:***

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws. Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

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## SECTION IX - MAIN PROVISION OF ARTICLE OF ASSOCIATION

<b>(THE COMPANIES ACT, 2013)</b>
<b>COMPANY LIMITED BY SHARES</b>
<b>ARTICLES OF ASSOCIATION</b>
<b>OF</b>
<b>GOFLEX LIMITED</b>
<b>INTERPRETATION</b>
I. (1) In these regulations-
(a) "the Act" means the Companies Act, 2013,
(b) "the seal" means the common seal of the company.
(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
<b>PUBLIC COMPANY</b>
"Public Company" means a company which—
(a) is not a private company;
(b) has a minimum paid-up share capital as may be prescribed:
Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles;
<b>SHARE CAPITAL AND VARIATION OF RIGHTS</b>
<b>II. 1.</b> Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
<b>2.</b> (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
(a) one certificate for all his shares without payment of any charges; or
(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.



<p><b>3.</b> (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no furtherspace on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p>
<p>(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.</p>
<p><b>4.</b> Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</p>
<p><b>5.</b> (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate percent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p>
<p>(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p>
<p>(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>
<p><b>6.</b> (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p>
<p>(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
<p><b>7.</b> The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.</p>
<p><b>8.</b> Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.</p>
<p><b>LIEN</b></p>
<p><b>9.</b> (i) The company shall have a first and paramount lien—</p>
<p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p>
<p>(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p>
<p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p>
<p>(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses</p>



	declared from time to time in respect of such shares.
<b>10.</b>	The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
	Provided that no sale shall be made—
	(a) unless a sum in respect of which the lien exists is presently payable; or
	(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
<b>11.</b>	(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
	(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
	(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
<b>12.</b>	(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
	(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
<b>CALLS ON SHARES</b>	
<b>13.</b>	(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
	Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
	(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
	(iii) A call may be revoked or postponed at the discretion of the Board.
<b>14.</b>	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
<b>15.</b>	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
<b>16.</b>	(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
	(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
<b>17.</b>	(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
	(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.



<b>18.</b>	The Board—
(a)	may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
(b)	upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.
<b>TRANSFER OF SHARES</b>	
<b>19.</b>	(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
	(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
<b>20.</b>	The Board may, subject to the right of appeal conferred by section 58 decline to register—
(a)	the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(b)	any transfer of shares on which the company has a lien.
<b>21.</b>	The Board may decline to recognise any instrument of transfer unless—
(a)	the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
(b)	the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
(c)	the instrument of transfer is in respect of only one class of shares.
<b>22.</b>	On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
	Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
<b>TRANSMISSION OF SHARES</b>	
<b>23.</b>	(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
	(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
<b>24.</b>	(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
(a)	to be registered himself as holder of the share; or
(b)	to make such transfer of the share as the deceased or insolvent member could have made.
	(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
<b>25.</b>	(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he



	shall deliver or send to the company a notice in writing signed by him stating that he so elects.
	(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
	(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
<b>26.</b>	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
	Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
<b>FORFEITURE OF SHARES</b>	
<b>27.</b>	If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
<b>28.</b>	The notice aforesaid shall—
	(a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
	(b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
<b>29.</b>	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
<b>30.</b>	(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
	(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
<b>31.</b>	(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
	(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
<b>32.</b>	(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
	(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;



	(iii) The transferee shall thereupon be registered as the holder of the share; and
	(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
<b>33.</b>	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
<b>ALTERATION OF CAPITAL</b>	
<b>34.</b>	The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
<b>35.</b>	Subject to the provisions of section 61, the company may, by ordinary resolution,—
	(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
	(b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
	(c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
	(d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
<b>36.</b>	Where shares are converted into stock,—
	(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
	Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
	(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
	(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.
<b>37.</b>	The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
	(a) its share capital;
	(b) any capital redemption reserve account; or
	(c) any share premium account.

<b>CAPITALISATION OF PROFITS</b>	
<b>38.</b>	(i) The company in general meeting may, upon the recommendation of the Board, resolve—





(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
<b>39.</b> (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
(b) generally do all acts and things required to give effect thereto.
(ii) The Board shall have power—
(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
(iii) Any agreement made under such authority shall be effective and binding on such members.
<b>BUY-BACK OF SHARES</b>
<b>40.</b> Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
<b>GENERAL MEETINGS</b>
<b>41.</b> All general meetings other than annual general meeting shall be called extraordinary general meeting.
<b>42.</b> (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may



be called by the Board.

#### **PROCEEDINGS AT GENERAL MEETINGS**

**43.** (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

**44.** The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

**45.** If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

**46.** If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **ADJOURNMENT OF MEETING**

**47.** (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **VOTING RIGHTS**

**48.** Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

**49.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

**50.** (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**51.** A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

**52.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**53.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

**54.** (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.



	(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
<b>PROXY</b>	
<b>55.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
<b>56.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
<b>57.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:  Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
<b>BOARD OF DIRECTORS</b>	
<b>58.</b>	The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
<b>The First Directors of the company are:</b>	
	1. Mahesh Chander Sharma
	2. Vishal Sharma
At the time of adoption of this Articles of Association, the following are the present Directors of the Company:	
	1. Vishal Sharma
	2. Sahir Thapar
	3. Navneet Kaur
	4. Ansh Jain
<b>59.</b>	(i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.  (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—  (a) In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or  (b) In connection with the business of the company.
<b>60.</b>	The Board may pay all expenses incurred in getting up and registering the company.
<b>61.</b>	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
<b>62.</b>	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the



	Board shall from time to time by resolution determine.
<b>63.</b>	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
<b>64. (i)</b>	Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
	(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
<b>PROCEEDINGS OF THE BOARD</b>	
<b>65. (i)</b>	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
	(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
<b>66. (i)</b>	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
	(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
<b>67.</b>	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
<b>68. (i)</b>	The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
	(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
<b>69. (i)</b>	The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
	(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
<b>70. (i)</b>	A committee may elect a Chairperson of its meetings.
	(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
<b>71. (i)</b>	A committee may meet and adjourn as it thinks fit.
	(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
<b>72.</b>	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.



**73.** Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

**74.** Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**75.** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

**THE SEAL**

**76. (i)** The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director and of the secretary or such other person as the Board may appoint for the purpose; and that directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

**DIVIDENDS AND RESERVE**

**77.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**78.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

**79. (i)** The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**80. (i)** Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend



is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**81.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

**82. (i)** Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**83.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

**84.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

**85.** No dividend shall bear interest against the company.

#### **ACCOUNTS**

**86. (i)** The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

#### **WINDING UP**

**87.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

**88.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### **BORROWING POWERS**

**89.** To borrow from any state financial corporations, Banks, companies firms or other financial institutions any terms loan or other sums on such security and other charges as stipulated by the financial corporation or Banks with mortgage on all or any of property of the Company whether present or future or both.



To borrow and lend from/to body corporate / s, but as per the provisions applicable from time to time, with necessary approvals required.

*(Adopted by resolution passed at Annual General Meeting dated 13<sup>th</sup> October, 2023)*

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

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## SECTION X: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of the draft prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the prospectus delivered to the ROC for filing, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at B-XX- 3369, Fifth Floor, Gurdev Nagar, Ferozpur Road, Ludhiana, Punjab, India, 141001 between 10.00 a.m. to 5.00 p.m. on all Working Days from the date of draft prospectus until the Issue Closing Date.

#### A. Material Contracts to the Issue

1. Issue Agreement dated [●] entered into among our Company and the Lead Manager.
2. Agreement dated [●] entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated July 19, 2024 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated June 24, 2024 entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement [●] among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated [●] between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated [●] between our Company and the Lead Manager.

#### B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated March 24, 1994 issued by Registrar of Companies.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated July 22, 2024 and July 24, 2024 respectively, authorizing the Issue and other related matters.
4. Copies of Restated Financial Statements of our Company for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and for the stub period February 29, 2024.
5. Peer Reviewed Statutory Auditors Report dated June 12, 2024 on Restated Financial Statements of our Company for the financial year March 31, 2023, March 31, 2022 and March 31, 2021 and on stub period ended February 29, 2024.
6. Copy of Statement of tax possible benefits dated July 31, 2024 from the Peer Reviewed Statutory Auditor included in this draft red herring prospectus.
7. Copy of Certificate of Key Performance Indicators dated July 31, 2024 from the Peer Reviewed Statutory Auditor included in this draft red herring prospectus.
8. Copy of Certificate of Working Capital Requirement dated July 31, 2024 from the Peer Reviewed Statutory Auditor included in this draft red herring prospectus.
9. Copy of the Certificate of Company Secretary in Practice dated May 05, 2024 stating the non-availability of the statutory records of the Company.
10. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Reviewed Auditor, Legal Advisor to the Issue, Banker to the Issue, Sponsor Bank, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the draft prospectus to act in their respective capacities.
11. In-principle listing approval dated [●] from the National Stock Exchange India Limited for listing the Equity Shares on the Emerge Platform of NSE.





12. Due Diligence certificate dated [●] submitted to SEBI after filing the prospectus with ROC.
13. Copy of approval from NSE vide letter dated [●] to use the name of NSE in this Draft Prospectus/ the Prospectus for listing of Equity Shares on Emerge Platform of NSE India.
14. Any of the contracts or documents mentioned in this draft prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act, SEBI (ICDR) Regulations and other relevant statutes.

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## 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 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. Vishal Sharma DIN: 02151917 Designation: Managing Director	Sd/-
Ms. Navneet Kaur DIN: 10279779 Designation: Independent Director	Sd/-
Mr. Sahir Thapar DIN: 09607418 Designation: Independent Director	Sd/-
Mr. Ansh Jain DIN: 10331488 Designation: Independent Director	Sd/-

### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Sd/-

**Ms. Sangeeta**

### SIGNED BY THE CHIEF FINANCIAL OFFICER (CFO)

Sd/-

**Mr. Vishal Sharma**

**Date: 26.08.2024**

**Place: Punjab**