



## SHASHWAT FURNISHING SOLUTIONS LIMITED

CIN: U20299RJ2021PLC073899

Our Company was originally incorporated on March 08, 2021 as “Shashwat Furnishing Solutions Private Limited” vide Registration No. 073899/2020-21 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, our Company has acquired the entire running business with the assets and liabilities of M/s Handicrafts Village, sole proprietorship concern of our Promoter Mr. Hitesh Karnawat vide Business Transfer Agreement dated June 01, 2021. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Shashwat Furnishing Solutions Private Limited” to “Shashwat Furnishing Solutions Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on August 12, 2021 and a fresh certificate of incorporation dated August 27, 2021 issued by the Registrar of Companies, Jaipur. The Corporate Identity Number of our Company is U20299RJ2021PLC073899. For further details, please refer to chapter titled “History and Corporate Structure” beginning on page 98 of this Draft Prospectus.

**Registered Office:** 121, Mahaveer Nagar, Jain Colony, Jodhpur-342001, Rajasthan, India.

**Tel No.:** +91-9001269000; **Email:** [cs@handicraftsvillage.com](mailto:cs@handicraftsvillage.com); **Website:** [www.handicraftsvillage.com](http://www.handicraftsvillage.com)

**Contact Person:** Mrs. Ratika Khandelwal, Company Secretary and Compliance Officer.

**OUR PROMOTER: MR. HITESH KARNAWAT**

### THE ISSUE

**PUBLIC ISSUE OF UPTO 5,60,000 EQUITY SHARES OF RS. 10/- EACH (“EQUITY SHARES”) OF SHASHWAT FURNISHING SOLUTIONS LIMITED (“SFSL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING TO RS. [●] LAKHS (“THE ISSUE”), OF WHICH UPTO [●] EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE AGGREGATING TO [●] LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO [●] EQUITY SHARES OF RS. [●] EACH INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE AGGREGATING TO [●] LAKH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS RS. 10/- AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE**

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRA”) this Issue is being made for at least 25% of the Post-Issue paid-up Equity Share capital of our Company. This Issue is a Fixed Price Issue in compliance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (The “SEBI ICDR Regulations”), as amended and Allocation in the Net Issue to the Public will be made in terms of regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended. In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 and SEBI/HO/CFD/DIL2/CIR/P/2018/138, All Applicants shall only participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process by providing details about the respective bank account (including UPI ID for RIIs using UPI Mechanism) wherein the Application Amount 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 Application Amount. For further details, please refer to section titled “Issue Procedure” beginning on page 182 of this Draft Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under chapter titled “Basis for Issue Price” beginning on Page No. 67 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 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 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 this Draft Prospectus. Specific attention of the investors is invited to chapter titled “Risk Factors” beginning on Page No. 20 of this Draft Prospectus.

### ISSUER’S ABSOLUTE RESPONSIBILITY

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

### LISTING

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

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



#### BEELINE BROKING LIMITED

**SEBI Registration Number:** INM000012546

**MB Division:** 807, Phoenix Tower, Opp. New Girish Cold Drinks,

Near Vijay Cross Roads, Navrangpura, Ahmedabad – 380 009

**Telephone Number:** +91 79 4840 5357

**Email Id:** [mb@beelinemb.com](mailto:mb@beelinemb.com)

**Investors Grievance Id:** [ig@beelinebroking.com](mailto:ig@beelinebroking.com)

**Website:** [www.beelinebroking.com](http://www.beelinebroking.com)

**Contact Person:** Mrs. Khushbu Shah

**CIN:** U51900GJ2014PLC080598



#### KFIN TECHNOLOGIES PRIVATE LIMITED

Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda,

Serilingampally, Hyderabad, Rangareddi, Telangana-500032 India.

**Tel. No.:** +91-40-6716-2222

**Fax No.:** +91-40-2343-1551

**Email:** [shashwat.ipo@kfintech.com](mailto:shashwat.ipo@kfintech.com)

**Website:** [www.kfintech.com](http://www.kfintech.com)

**Investor Grievance Email:** [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)

**Contact Person:** M Murali Krishna

**SEBI Registration No.:** INR000000221

**ISSUE OPENS ON**

**ISSUE CLOSES ON**

[●]

[●]

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

## TABLE OF CONTENTS

SECTION	CONTENTS	PAGE NO.
<b>I</b>	<b>GENERAL</b>	
	DEFINITIONS AND ABBREVIATIONS	1
	CERTAIN CONVENTIONS;PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	12
	FORWARD LOOKING STATEMENTS	14
<b>II</b>	<b>OFFER DOCUMENT SUMMARY</b>	16
<b>III</b>	<b>RISK FACTORS</b>	20
<b>IV</b>	<b>INTRODUCTION</b>	
	THE ISSUE	38
	SUMMARY OF FINANCIAL INFORMATION	39
<b>V</b>	<b>GENERAL INFORMATION</b>	42
<b>VI</b>	<b>CAPITAL STRUCTURE</b>	51
<b>VII</b>	<b>PARTICULARS OF THE ISSUE</b>	
	OBJECTS OF THE ISSUE	62
	BASIS FOR ISSUE PRICE	67
	STATEMENT OF SPECIAL TAX BENEFITS	69
<b>VIII</b>	<b>ABOUT THE COMPANY</b>	
	INDUSTRY OVERVIEW	73
	BUSINESS OVERVIEW	81
	KEY REGULATIONS AND POLICIES	91
	HISTORY AND CORPORATE STRUCTURE	98
	OUR MANAGEMENT	103
	OUR PROMOTERS AND PROMOTER GROUP	116
	DIVIDEND POLICY	120
<b>IX</b>	<b>FINANCIAL INFORMATION OF OUR COMPANY</b>	
	RESTATEMENT FINANCIAL STATEMENTS	121
	OTHER FINANCIAL INFORMATION	144
	MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS	145
	CAPITALISATION STATEMENT	154
<b>X</b>	<b>LEGAL AND OTHER INFORMATION</b>	
	OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	155
	GOVERNMENT AND OTHER APPROVALS	159
<b>XI</b>	<b>INFORMATION WITH RESPECT TO GROUP COMPANIES</b>	162
<b>XII</b>	<b>OTHER REGULATORY AND STATUTORY DISCLOSURES</b>	163
<b>XIII</b>	<b>ISSUE RELATED INFORMATION</b>	
	TERMS OF THE ISSUE	174
	ISSUE STRUCTURE	179
	ISSUE PROCEDURE	182
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	226
<b>XIV</b>	<b>DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION</b>	228
<b>XV</b>	<b>OTHER INFORMATION</b>	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	256
	DECLARATION	257

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

*Notwithstanding the foregoing, terms used in of the sections “Industry Overview”, “Key Regulations and Policies”, “Statement of Special Tax Benefits”, “Restated Financial Statements”, “Basis for Issue Price”, “History and Corporate Structure”, “Other Regulatory and Statutory Disclosures”, “Outstanding Litigations and Material Developments” and “Description of Equity Shares and Terms of the Articles of Association” on pages 73, 91, 69, 121, 67, 98, 163, 155, and 228 respectively, shall have the meaning ascribed to such terms in such sections.*

#### **General Terms**

Term	Description
“SFSL”, “the Company”, “our Company” and Shashwat Furnishing Solutions Limited	Shashwat Furnishing Solutions Limited, a company incorporated in India under the Companies Act 2013 having its Registered office at 121, Mahaveer Nagar, Jain Colony Jodhpur - 342001, Rajasthan, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue

#### **Company related terms**

Term	Description
AOA / Articles / Articles of Association	Articles of Association of Shashwat Furnishing Solutions Limited as amended from time to time.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
Auditors/ Statutory Auditors	The Auditors of Shashwat Furnishing Solutions Limited Being M/s A Y & Company, Chartered Accountants.
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 “Our Management” beginning on page 103 of this Draft Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Mr. Hitesh Karnawat
CIN	Corporate Identification Number of our Company i.e. U20299RJ2021PLC073899
Chief Financial Officer/CFO	The Chief Financial Officer of our Company being Mrs. Mayuri Karnawat
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mrs. Ratika Khandelwal.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.

Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other companies as considered material by our Board of the issuer as disclosed in the chapter titled “Information with respect to Group Companies” on page 162 of this Draft Prospectus.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the Listing Regulations.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number. In this case being [●]
IT Act	The Income Tax Act, 1961 as amended till date
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “Our Management” on page 103 of this Draft Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 08, 2021, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MD or Managing Director	The Managing Director of our Company being Mr. Hitesh Karnawat.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Shashwat Furnishing Solutions Limited as amended from time to time.
Non Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s A Y & Company, Chartered Accountants.
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.
Processing Unit	Our Processing Unit situated at G/30 RICCO Industrial Area, Boranada Industrial Park, Phase I Jodhpur - 342012, Rajasthan, India
Promoter(s)	Shall mean promoter of our Company i.e. Mr. Hitesh Karnawat. For further details, please refer to section titled “Our Promoter and Promoter Group” beginning on page 116 of this Draft Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “Our Promoter and Promoter Group” beginning on page 116 of this Draft Prospectus.
Proprietorship firm / firm	Proprietorship firm of our Promoter Mr. Hitesh Karnawat i.e. M/s Handicrafts Village which has been taken over by our Company.
Registered Office	121, Mahaveer Nagar, Jain Colony Jodhpur- 342001, Rajasthan, India.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The Restated Financial information of the Company, which comprises of the restated balance sheet, the restated profit and loss information and restated cash flow information, for the stub period ended on July 31, 2021 and for the year ended March 31, 2021 together with the annexure and notes thereto.
RoC/ Registrar of Companies	Registrar of Companies, Jaipur.
SEBI	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 (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 Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 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 Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Shareholders	Shareholders of our Company
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited
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 Promoter	Initial Subscriber to MOA & AOA being Mr. Hitesh Karnawat and Mr. Lalit Ghewarchand Karnawat.
Stakeholders Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.
Warehouse	Our Warehouse situated at Plot No 18-19, Moti Nagar, Sangariya, Khasra Number 184, Jodhpur – 342013, Rajasthan, India
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI Regulations

## ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form in terms of which the Applicant shall make a Application, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Prospectus.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)/ Applicant	Any prospective investor who makes an Application pursuant to the terms of the draft Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Draft Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate,



Terms	Description
	Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bankers to the Issue	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 [●]
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “Issue Procedure” on page 182 of this Draft Prospectus.
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
BSE	BSE Limited
Business Day	Monday to Friday (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.
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
Controlling Branches of the SCSBs	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of this Draft Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Stock Exchange	BSE Limited (SME Exchange of BSE Limited i.e. BSE SME).
DP	Depository Participant
DP ID	Depository Participant’s Identity Number

<b>Terms</b>	<b>Description</b>
Draft Prospectus	Draft prospectus dated September 29, 2021 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
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 Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer 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.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares.
Escrow Account	Accounts opened with the Banker to the Issue
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue and Sponsor Bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
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 of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, 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, 1995, as amended
First Applicant/ Sole Applicant	Applicant whose name shall be mentioned in the 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.
Fresh Issue	The Fresh Issue of upto 5,60,000 Equity Shares by our Company having face value of Rs.10/- each at a price of Rs. [●] per equity share aggregating to Rs. [●] Lakhs, to be issued by our Company for subscription pursuant to the terms of this Draft Prospectus..
Fresh Issue Proceeds	The proceeds of the Fresh Issue as stipulated by the Company. For further information about use of the Fresh Issue Proceeds please see the chapter titled “Objects of the Issue” beginning on Page No. 62 of this Draft Prospectus.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offender Act, 2018.
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM.
GIR Number	General Index Registry Number.
Issue Agreement / Memorandum of Understanding	The Memorandum of Understanding amongst our Company and the Lead Manager dated September 23, 2021.



Terms	Description
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer the chapter titled “Objects of the Issue” beginning on Page No. 62 of this Draft Prospectus.
Issue/ Issue Size / Public Issue/ IPO	This Initial Public Issue of upto 5,60,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per equity share aggregating to Rs. [●] lakhs by our Company.
Issue Closing date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Opening date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSB sand Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Draft Prospectus being Rs. [●] per share.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
LM / Lead Manager	Lead Manager to the Issue, in this case being Beeline Broking Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker	Market Maker of the Company, in this case being [●]
Market Maker Reservation Portion	The Reserved portion of upto [●] Equity shares of Rs. 10/- each at an Issue Price of Rs. [●] aggregating to Rs. [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●].
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Net Issue of [●] Equity Shares of Rs. 10/- each at Rs. [●] per Equity Share aggregating to Rs. [●] lakhs by our Company.
Non-Institutional Applicant / Investors	All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs, OFIs other than eligible QFIs).
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
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	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, 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.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.

Terms	Description
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registrar Agreement	The agreement dated September 09, 2021 among 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/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 being KFin Technologies Private Limited
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000
Registered Broker	Individuals or companies registered with SEBI as "Trading Members"(except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="https://www.bseindia.com/members/MembershipDirectory.aspx">https://www.bseindia.com/members/MembershipDirectory.aspx</a>
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●].
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriter(s)	[●]
Underwriting Agreement	The Agreement among the Underwriter(s) and our Company dated [●].
"Unified Payments Interface" or "UPI"	The instant payment system developed by the National Payments Corporation of India (NPCI).
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).

Terms	Description
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI mechanism	1. The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019

## COMPANY AND INDUSTRY RELATED TERMS

### Technical and Industry Related Terms

Term	Full Form
B2B	Business to Business
B2C	Business to Customers
CBM	Cubic Meter
CPI	Consumer Price Index
CIF	Cost, Insurance and Freight
MRP	Maximum Retail Price
Sq.D	Square Diameter
Sq.M	Square Meter
Sq. Ft.	Square Feet
R&D	Research and Development
WEO	World Economic Outlook

## ABBREVIATIONS

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
BSE SME	SME Platform of BSE Limited
CDSL	Central Depository Services (India) Limited

Abbreviation	Full Form
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India

Abbreviation	Full Form
ICAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees/Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
i.e	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association
MRP	Maximum Retail Price
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio

Abbreviation	Full Form
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
VAT	Value Added Tax
w.e.f.	With effect from
YoY	Year over Year

The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Description of Equity Shares and Terms of the Articles of Association”, “Statement of Special Tax Benefits”, “Industry Overview”, “Regulations and Policies”, “Financial Information of our Company”, “Outstanding Litigations and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.



## **CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references in the Draft Prospectus to “India” are to the Republic of India. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Shashwat Furnishing Solutions Limited”, “SFSL”, and, unless the context otherwise indicates or implies, refers to Shashwat Furnishing Solutions Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **Use of Financial Data**

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated for the stub period ended on July 31, 2021 and financial year ended on March 31, 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “Financial Information of our company” beginning on page 121 of this Draft Prospectus. Our Company does not have any subsidiary, accordingly financial information relating to us is presented on Standalone basis only. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “Risk Factors”, “Business Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “Financial Information of our company” beginning on page 121 of this Draft Prospectus.

For additional definitions used in this Draft Prospectus, see the section “Definitions and Abbreviations” on page 1 of this Draft Prospectus. In the section titled “Description of Equity Shares and Terms of the Articles of Association”, on page 228 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

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

All references to:

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

Our Company has presented certain numerical information in this Draft Prospectus in “Lakhs” units. One Lakh represents 1,00,000. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal place.

### **Definitions**

For definitions, please refer the Chapter titled “Definitions and Abbreviations” on Page No. 1 of this Draft Prospectus. In the Section titled “Description of Equity Shares and Terms of the Articles of Association” beginning on Page No. 228 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## **Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Draft prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “Basis for Issue Price” on page 67 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

## **FORWARD LOOKING STATEMENTS**

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe 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.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the real estate industry in India where we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
2. Changes in laws and regulations relating to the sectors/areas in which we operate
3. Increased competition in our industry
4. Our ability to successfully implement our growth strategy and expansion plans;
5. Our ability to meet our further capital expenditure requirements;
6. Fluctuations in operating costs;
7. Our ability to attract and retain qualified personnel;
8. Conflict of Interest with affiliated companies, the promoter group and other related parties
9. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
10. Changes in government policies and regulatory actions that apply to or affect our business.
11. Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
12. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. The occurrence of natural disasters or calamities;
14. Our inability to maintain or enhance our brand recognition;
15. Inability to adequately protect our trademarks and
16. Changes in consumer demand.
17. Other factors beyond our control; and
18. Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause our actual results to differ, see the Section titled "Risk Factors"; “Business Overview” & and "Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 20, 81 & 145 respectively of the Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to 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 to be a guarantee of our future performance.



Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## SECTION II: OFFER DOCUMENT SUMMARY

### A. PRIMARY DETAIL OF BUSINESS AND INDUSTRY

#### Summary of Business

Our company is engaged in processing of semi-finished furniture products into finished products and manufacturing through job work of furniture and handicraft items. Our company specialize in developing a qualitative range of Industrial Furniture and Restaurant and Cafe Furniture, Garden and Outdoor Furniture Vintage Furniture, Mirror Frames, Wall clocks and various other decoration & handicrafts objects. We are instrumental in presenting a wide assortment of exclusively designed products, such as Restaurant Furniture, Cafe Furniture, and Metal Furniture. Our expert professionals are devoted to developing an exclusive product range capable to gain a nationwide appreciation for its remarkable finish, unique designs, trendy colour combinations, flawless detailing, unbreakable quality and higher durability.

For further details, please refer chapter titled “Business Overview” beginning on Page no. 81 of this Draft Prospectus.

#### Summary of Industry

The handicrafts sector is of importance to the Indian economy as it is one of the largest employment generators and account for a significant share in the country’s export. The state and regional clusters contribute significantly to handicrafts export. The Indian handicrafts industry is fragmented with more than seven million regional artisans and over 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets.

For further details, please refer chapter titled “Industry Overview” beginning on Page no. 73 of this Draft Prospectus.

### B. OUR PROMOTER

Our company is promoted by Mr. Hitesh Karnawat.

### C. SIZE OF THE ISSUE

Public Issue of upto 5,60,000 Equity Shares of Face Value of ₹10/- each of Shashwat Furnishing Solutions Limited (“SFSL” or “Our Company”) for Cash at a Price of [●] Per Equity Share (Including a Share Premium of [●] per Equity Share) (“Issue Price”) aggregating to [●] Lakhs, of which [●] Equity Shares of Face Value of ₹ 10/- each at a price of [●] aggregating to [●] Lacs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of [●] Equity Shares of Face Value of ₹10/- each at a price of [●] aggregating to [●] Lakhs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute [●] and [●] respectively of the Post Issue paid up Equity Share Capital of Our Company.

### D. OBJECT OF THE ISSUE

The fund requirements for each of the Object of the Issue are stated as below:

S. No	Particulars	Amt. (₹ in Lacs)	% of Total Issue Size
1.	Working Capital Requirement	[●]	[●]
2.	General Corporate Expenses	[●]	[●]
3.	Public Issue Expenses	[●]	[●]
<b>Gross Issue Proceeds</b>		[●]	[●]
<b>Less: Issue Expenses</b>		[●]	
<b>Net Issue Proceeds</b>		[●]	

**E. PRE-ISSUE SHAREHOLDING OF OUR PROMOTER AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY**

S. No	Names	Pre-Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoter</b>				
1.	Mr. Hitesh Karnawat	13,72,350	89.70	13,72,350	[•]
	<b>TOTAL (A)</b>	<b>13,72,350</b>	<b>89.70</b>	<b>13,72,350</b>	<b>[•]</b>
	<b>Promoter Group</b>				
1.	Mr. Lalit Ghewarchand Karnawat	72,250	4.72	72,250	[•]
2.	Mrs. Mayuri Karnawat	85,000	5.56	85,000	[•]
3.	Mrs. Jayshree Karnawat	100	0.01	100	[•]
4.	Mrs. Sushiladevi Lalitkumar Karnawat	100	0.01	100	[•]
5.	Mrs. Sapna Jain	100	0.01	100	[•]
6.	Mr. Rajendra Jain	100	0.01	100	[•]
	<b>TOTAL (B)</b>	<b>1,57,650</b>	<b>10.30</b>	<b>1,57,650</b>	<b>[•]</b>
	<b>GRAND TOTAL (A+B)</b>	<b>15,30,000</b>	<b>100.00</b>	<b>15,30,000</b>	<b>[•]</b>

For further details refer chapter titled “Capital Structure” beginning on page no. 51 of this Draft Prospectus.

**F. SUMMARY OF RESTATED FINANCIAL STATEMENT**

(Amount in Lakhs)

Particulars	For the stub period ended July 31, 2021	For the year ended March 31,
		2021
Share Capital	153.00	1.00
Net Worth	164.43	1.00
Total Revenue	11.41	0.00
Profit after Tax	1.96	-
Earnings Per Share	0.14	-
Net Asset Value Per Share (₹)	10.75	10.00
Total Borrowings	17.02	-

G. There are no material Auditor’s Qualifications in any of the Financial Statements of the Company.

**H. SUMMARY OF OUTSTANDING LITIGATION ARE AS FOLLOWS:**

Nature of Cases	No of Outstanding Cases	Amount involved (In Lacs)
<b>Litigation filed by against Company, Subsidiary, Directors and Promoter</b>		
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Tax Proceedings (Outstanding Demand)	--	--
Other Litigation	--	--

For further information, please refer chapter titled “Outstanding Litigations and Material Developments” on page no. 155 of this Draft Prospectus.

I. Investors should read chapter titled “Risk Factors” beginning on page no. 20 of this Draft Prospectus to get a more informed view before making any investment decisions.

**J. SUMMARY OF CONTINGENT LIABILITIES**

There is no contingent Liabilities as on July 31, 2021 and March 31, 2021. For further information, please refer “Annexure H-Contingent Liability” under chapter titled “Financial Information of our Company” on page no. 121 of this Draft Prospectus.



## K. SUMMARY OF RELATED PARTY TRANSACTIONS

### List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
<b>1. Other Related Parties:</b>	
a) Key Management Personnel's	Hitesh Karnawat
	Lalit Ghewarchand Karnawat
	Mayuri Karnawat
b) Relative of Key Managerial Personnel	Sushila Karnawat
	Piyush Karnawat
	Pehel Karnawat
	Jinay Karnawat
<b>Note 1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.	

### Transactions carried out with related parties referred to in (1) above, in ordinary course of business:

Nature of Transactions	Name of Related Parties	As at 31st July	As at 31st March
		2021	2021
1. Director Remuneration	Hitesh Karnawat	0.20	-
	<b>Total</b>	<b>0.20</b>	<b>-</b>
2. Unsecured Loans	<b>Hitesh Karnawat</b>		
	Opening Balance	-	-
	Loan Received during the year	44.17	-
	Loan Paid during the year	30.67	-
	<b>Closing Balance</b>	<b>13.50</b>	<b>-</b>
3. Short Term Loans & Advances Granted*	<b>Sushila Karnawat</b>		
	Opening Balance	-	-
	Loan Received during the year	3.52	-
	Loan Paid during the year	-	-
	<b>Closing Balance</b>	<b>3.52</b>	<b>-</b>
3. Short Term Loans & Advances Granted*	Jinay Karnawat	0.29	
	Lalit Ghewarchand Karnawat	2.90	
	Pehel Karnawat	0.34	
	Piyush Karnawat	1.26	
*Balances taken over on account of business acquisition of proprietorship Firm vide agreement dated 01.06.2021			
<b>Note</b> : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.			

### Outstanding Balance as at the end of the year

	Name of Related Parties	31.07.2021	31.03.2021
Payables	Hitesh Karnawat	13.70	-
	Sushila Karnawat	3.52	-
Receivables*	Jinay Karnawat	0.29	-
	Lalit Ghewarchand Karnawat	2.90	-
	Pehel Karnawat	0.34	-
	Piyush Karnawat	1.26	-
*Balances taken over on account of business acquisition of proprietorship Firm vide agreement dated 01.06.2021			
<b>Note</b> : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.			

For details of standalone related party transaction, please refer "Annexure J- Related Party Transaction" under chapter titled "Financial Information of our Company" on page no. 121 of this Draft Prospectus.

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

**M.** The weighted average price of acquisition of Equity Shares by our Promoter in last one year is:

Our Promoter has acquired Equity Shares in last year. For further details refer chapter titled “Capital Structure” beginning on page no. 51 of this Draft Prospectus.

**N.** The average cost of acquisition of Equity Shares by our Promoter is:

<b>Name of the Promoter</b>	<b>No. of Shares held</b>	<b>Average Cost of Acquisition per Share (In Rs.)*</b>
Mr. Hitesh Karnawat	13,72,350	11.17

\*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

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

**P.** Except as disclosed in this Draft Prospectus, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus

**Q.** Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft 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 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 "Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 81 and 145, respectively, as well as the other financial and statistical information contained in this Draft 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 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 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.*

*In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on page 20 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 145 respectively of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of our Company" prepared in accordance with the Indian Accounting Standards.*

#### **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:

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

#### **INTERNAL RISK FACTORS**

1. ***Our Company has been formed specifically for the purpose of acquisition of the business of M/s Handicrafts Village (Proprietorship firm of our Promoter) thus we have limited operating history as a Company which may make it difficult for investors to evaluate our historical performance or future prospects.***

Our Company was originally incorporated as a private limited Company under the Companies Act, 2013 with Registrar of Companies, Central Registration Centre through a certificate of incorporation dated March 08, 2021. After incorporation, company has taken-over the running business of Proprietorship firm of our Promoter I.e., M/s Handicrafts Village for expansion of the business of Company. We have very limited operating history from which one can evaluate our business, future prospects and viability. Our future revenues and profitability are difficult to estimate and could fluctuate significantly and as a result the price of our Equity Shares may be volatile.

Further our business prospects must be considered in light of the risks and uncertainties in respect of processing & furnishing of semi-finished products of furniture and handicrafts items. The business of furniture and handicraft was earlier carried by proprietorship firm which is recently taken over by our Company, although the proprietorship has placed the growth in past years, and will continue to place by our Company but there is no assurance that this growth will be met successfully in future. We may not be able to increase revenue or maintain profitability on a quarterly or an annual basis. If this occurs, our results of operations and financial condition will be adversely affected. Our growth exposes us to a wide range of increased risks. It will also place significant demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls.

There can be no assurance that we will be able to successfully pursue our growth strategies, or that pursuing these strategies will provide us the anticipated benefits in terms of growth and profitability. Further, we may be unable to develop adequate systems, infrastructure and technologies, devote sufficient financial resources or develop and attract talent to manage our growth. Our inability to pursue our growth strategies successfully or at all, or an inability to manage our growth, may adversely affect our prospects.

For further details, see the section titled “History and Corporate Structure” and “Restated Financial Statements” on page 98 and 121 respectively of the Draft Prospectus.

**2. *If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Our Company has been recently incorporated and started business by takeover of running proprietorship firm of our Promoter I.e. M/s handicrafts Village which deal in processing and finishing of semi-finished goods and manufacturing through job work. For the same our Company has made applications to regulatory authorities for grant of the following Government / statutory approvals and licenses but the same has not been issued to us till date:

S.No.	Nature of Registration / License	Date of Application	Issuing Authority
1.	Shop & Establishment Registration	23.09.2021	Government of Rajasthan, Department of Statistics, Directorate of Economics & Statistics, Rajasthan, Jaipur

We cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

Additionally, we believe that we will be able to renew or obtain such registrations and approvals or permissions, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues, profits and operations.

For further details, see section on “Government and Other Approvals” beginning on page 159 of the Draft Prospectus.

**3. *We rely on suppliers for semi-finished products which is further processed and finished by our company. In the event of disruption in supply of semi-finished goods, our business, results of operations and financial condition may be adversely affected.***

We rely on suppliers for majorily semi-finished goods. In the event that there are any delays or disruptions in the supply of semi-finished goods from our suppliers, our ability to deliver the products may be affected. Any of our supplier’s failure to adhere to agreed timelines, whether due to their inability to comply with, or obtain, regulatory approvals, or otherwise, may result in delays and disruptions to our sales, increased costs, delayed payments for our products and damage to our reputation leading to an adverse effect on our results of operations. In the event our suppliers for semi-finished goods cease to be available to us at terms acceptable to us or we experience problems with, or interruptions in, such supplies, and we are unable to find other suppliers to provide similar semi-finished goods on comparable terms and on a timely basis, our operations may be disrupted and our results of operations and financial condition may be adversely affected.

For further details of our business, please refer chapter titled “Business Overview” beginning on Page 81 of this Draft Prospectus.

**4. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.***

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customer's discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income.

Further, we operate in highly competitive markets in relation to our products where it is difficult to predict whether and when we will receive such awards. As a result, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when such orders are awarded to us and the commencement and progress of work under the orders placed.

For further details of our business, please refer chapter titled "Business Overview" beginning on Page 81 of this Draft Prospectus.

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

The results of operations of our business are dependent on our ability to effectively manage our inventory for job work purpose and stocks of semi-finished products. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we purchase, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows. We estimate our sales based on the demand and requirements and also on the customer specifications.

In addition, disruptions to the delivery of products to our warehouse or customer may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.

For further details of our business, please refer chapter titled "Business Overview" beginning on Page 81 of this Draft Prospectus.

**6. *Our marketing and advertising campaigns may not be successful in increasing the popularity of our products. If our marketing initiatives are not effective, this may adversely affect our business.***

Our revenues are influenced by marketing and advertising. We rely to a large extent on our senior management's experience in defining our marketing and advertising programmes. If our senior management leads us to adopt unsuccessful marketing and advertising campaigns, we may fail to attract new customers and retain existing customers. If our marketing and advertising programmes are unsuccessful, our results of operations could be materially adversely affected. Further, our Company advertised and sale its products through online portal i.e. Indiamart, Trade India, Exporter India etc., any negative marketing over the portals through reviews of our customer may impact our sales and business operation of our Company.

In addition, increased spending by our competitors on advertising and promotion could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business.

For further details of our business, please refer chapter titled "Business Overview" beginning on Page 81 of this Draft Prospectus.

**7. *The property used by the Company for the purpose of its operations is not owned by us. Any termination of the relevant lease or leave and license agreement in connection with such property or our failure to renew the same could adversely affect our operations.***

We currently operate our registered office, located at 121, Mahaveer Nagar, Jain Colony, Jodhpur- 342001, Rajasthan, India, warehouse and processing unit located at Plot No 18-19, Moti Nagar, Sangariya, Khasra Number 184, Jodhpur – 342013, Rajasthan, India and G/30 RICCO Industrial Area, Boranada Industrial Park, Phase I Jodhpur - 342012, Rajasthan, India which are not owned by us. We have obtained this property on leave and license basis from our director and other parties. Periodic renewals of such lease may increase our costs, since it is subject to rent escalation. Any termination of the lease and/or rental deed in connection with this properties or our failure to renew the same, and upon favourable conditions, in a timely manner or at all could adversely affect our operations. For details regarding properties taken on lease refer the Section titled —Properties – “Business Overview” beginning on page no. 81 of this Draft Prospectus.

**8. *Heavy dependence on our Promoter for the continued success of our business through his continuing services, strategic guidance and support.***

We are heavily dependent upon the continued services of our Promoter, along with support of our management team for the continuous success and growth of our organization. Our promoter Mr. Hitesh Karnawat is responsible for the execution of our day-to-day business affairs. Also prior to the incorporation and acquisition of the business he was running handicrafts business under his proprietorship concern which have been acquired by our Company. The loss of our Promoter or failure to recruit suitable or comparable replacements could have an adverse effect on our business operations and growth strategies.

For Details of our Promoter, please refer chapter titled “Our Promoter and Promoter Group” beginning on Page 116 of this Draft Prospectus.

**9. *Our operating results could be adversely affected by weakening of economic conditions due to previous lock-down in all parts of India and other parts of world & other situation due to pandemic covid-19.***

Our overall performance depends in part on the economic conditions of India. Certain economies have experienced periods of downturn due to the present situation prevailing in India and outside India due to pandemic disease of Covid-19 which impact financial markets, concerns regarding the stability and viability of major financial institutions, declines in gross domestic product, and increases in unemployment and volatility in commodity prices and worldwide stock markets, and excessive government debt. The pandemic disease has adversely effected the furniture and handicraft business as our furniture is majorly for restaurants and offices which was closed due to lock down in all parts of India.

Moreover, the instability in the global economy affects countries in different ways, at different times and with varying severity, which makes the impact to our business unforeseeable and indeterminate. Any of these events, as well as a general weakening of, or declining corporate confidence in the global economy, or a curtailment in government or customer spending could delay or decrease our revenues and therefore have a material adverse effect on our business, operating results and financial condition.

**10. *We do not have any long-term agreement or contract for supply of semi-finished products & raw material. consequently, are exposed to price and supply fluctuations.***

We are, to a major extent, dependent on external suppliers for our material and we do not have any long-term supply agreements or commitments in relation to the same. Consequently, we are exposed to price and supply fluctuations in semi-finished furniture including raw material, and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition.

In case of non-availability of semi-finished furniture and raw material on favourable terms we may have to procure the same at the terms and conditions prevalent at that point. This will result in reducing our revenues by a considerable amount due to shortage of material or due to inability to procure the same. Further, unfavourable terms of materials may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business. We may have to put on hold any expansion plans and our business will be adversely affected.

For details of our material, please refer section titled “Business Overview” beginning on Page 81 of this Draft Prospectus.



***11. We have not yet applied for the registration of our logo. If we fail to obtain registration our brand building efforts may be hampered which might lead to adverse effect on our business.***



Our Company is currently using the logo which is not yet registered in the name of our Company neither we have made any application for the registration of the trademark with the respective authorities. If we are unable to get the same registered with the trademark authorities then, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business and goodwill, which in turn could adversely affect our results of operations.

Further our Company does not own the domain name "www.handicraftsvillage.com" as a result of which we might be required to discontinue its usage at any point of time in future. Although we have executed assignment agreement with our Promoter for use of such domain, if such assignment will withdraw or cancel by our Promoter in future. This might adversely affect our business and goodwill. For further details, please refer to section titled "Government and Other Approvals" on page 159 of this Draft Prospectus.

***12. Our Company has acquired sole proprietorship firm of our Promoter I.e. M/s Handicrafts Village after its incorporation vide business transfer agreement dated June 01, 2021. Any future acquisition of other businesses could result in operating difficulties, integration issues and other adverse consequences due to our limited past experience in businesses.***

Our Company was originally incorporated on March 08, 2021 as "Shashwat Furnishing Solutions Private Limited" under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, our Company has acquired the entire business with the assets and liabilities of M/s Handicrafts Village, sole proprietorship concern of our Promoter Mr. Hitesh Karnawat vide Business Transfer Agreement dated June 01, 2021. Further, our Company was converted into Public Limited Company and consequently name of company was changed from "Shashwat Furnishing Solutions Private Limited" to "Shashwat Furnishing Solutions Limited" vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on August 12, 2021. and a fresh certificate of incorporation dated August 27, 2021 issued by the Registrar of Companies, Jaipur. Further, the company has applied or in some cases will apply for the transition or endorsement of the name of the Company on many of the documents, registration, bank account and other documents which are in the name of our Handicrafts Village as per the terms of business transfer agreement. Any delay in the said transition may require the company to pay any penalty or refusal from any authority of such transition or endorsement which may affect the financial position and operation of our Company.

Further any future acquisition may not be beneficial to our Company, we may have to pay a certain amount of premium to the outgoing management / shareholders for synergic benefits that we may accrue compared to valuations of those firms / businesses / companies. Our inability to identify suitable acquisition opportunities in the future, or adequately priced acquisitions, entering into agreement with such parties or obtaining the necessary financing to make such acquisitions could adversely affect our future growth.

***13. If we are not successful in managing our growth, our business may be disrupted and our profitability may be reduced.***

Our future growth is subject to risks arising from a rapid increase in volume, and inability to retain and recruit skilled staff. We may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit.

Our future growth may place significant demands on our management and operations and require us to continuously evolve and improve our financial, operational and other internal controls within our Company. In particular, continued expansion may pose challenges in:

- maintaining high levels of quality control and cost-effective processing, and customer satisfaction;
- recruiting, training and retaining sufficient skilled management and technical personnel for our business process;
- developing and improving our internal administrative infrastructure, particularly our financial,
- operational, communications, internal control and other internal systems;
- making accurate assessments of the resources;
- adhering to the standards of health, safety and environment and quality and process execution to meet clients' expectations;
- strengthening internal control and ensuring compliance with legal and contractual obligations;
- Managing relationships with customers, suppliers and lenders.

If we are not successful in managing our growth, our business may be disrupted and profitability may be reduced. Our business, prospects, financial condition and results of operations may be adversely affected.

***14. Our Company has not taken any insurance which may expose our company from potential losses to which we may be subject to risk and this may have a material effect on our business and financial condition.***

Our Company has not taken any insurance policy related to our registered office, warehouse, processing unit and for keyman Insurance policy of our Company. Any unforeseen situation or any liability will not compensate due to absence of Insurance policy. Further, our business involves risks which may adversely affect our profitability, including failure of systems and employee frauds. We cannot assure you that the operation of our business will not be affected by any of the incidents listed above or by other factors.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

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

The Jodhpur, Rajasthan is one of the main places for the Handicraft Industry including furniture products and this has resulted in huge competitive pressures. We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. Our inability to compete with this intense competition; local, national and international will have material adverse impact on our Company's financial position.

For further details of our business, please refer chapter titled "Business Overview" beginning on Page 81 of this Draft Prospectus.

***16. We have been recently incorporated as company and any non-compliance with the provisions of Companies Act, 2013 may attract penalties against our Company which could impact our financial and operational performance and reputation.***

Our Company has been recently incorporated to acquire the entire business with the assets and liabilities of M/s Handicrafts Village, sole proprietorship concern of our Promoter Mr. Hitesh Karnawat vide Business Transfer Agreement dated June 01, 2021. The provisions of the Companies Act were not applicable to us earlier. However, consequent to the aforesaid incorporation, our Company is subject to compliance of various provisions of the Companies Act such as repayment of amounts falling under the definition of deposits under the Companies Act, 2013, prior approval for entering into related party transactions, filing of relevant RoC forms, rules pertaining to declaration of dividends etc.

Though our Company will endeavour to take all possible steps comply with the provisions of the Companies Act, but in case of our inability to do so or in case of any delay, we may be subject to penal action from the appropriate authorities which may have an adverse effect on our financial and operational performance and reputation

***17. We are dependent on our key managerial personnel, and the loss of or our inability to retain such persons could adversely affect our cash flows, business, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our key managerial personnel. Their input and experience are invaluable for the development of our business and the operations and the strategic directions taken by us. We cannot assure you that we will be able to retain these key managerial personnel or find adequate replacements in timely manner, or at all, should they choose to discontinue their employment with us. We may need a long period of time to hire and train replacement personnel when key managerial personnel terminate their employment with us. We believe that competition for qualified managerial personnel with relevant expertise in India is intense due to scarcity of qualified individuals in the industry in which we operate. The retirement or resignation of any of our key managerial personnel may materially and adversely impact our business, results of operations and financial condition.

In addition, we cannot assure you that our relations with our contracted labour shall remain cordial at all times and that contracted labour will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruptions may affect our operations, thereby adversely affecting our business, financial condition and results of operations.

**18. Our failure to adapt to technological developments or industry trends could affect the performance and features of our products, and reduce our attractiveness to our customers.**

As our operations grow in scope and size, whether through offering of new products or expansion into new markets, we must continuously improve, upgrade, adapt and expand our systems and infrastructure to offer our customers enhanced products, features and functionality ahead of rapidly evolving customer demands, while maintaining the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner.

The systems, infrastructure and technologies we currently employ may become obsolete or be unable to support our increased size and scale. Even if we are able to maintain, upgrade or replace our existing systems or innovate or customize and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. We may be unable to devote adequate financial resources or obtain sufficient financing on commercially acceptable terms in time, or at all, which may have a material adverse effect on our business, prospects, results of operation and financial condition. For further details regarding our business, please refer to chapter titled “Business Overview” beginning on Page 81 of this Draft Prospectus.

**19. Our Company does not have any listed peer companies for comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.**

Business models of some of the listed companies which undertake certain business, which may be considered similar to our business are not comparable to our business model based on (i) percentage of contribution made by their business activities to the total revenue of these listed companies; and (ii) nature and extent of activities in diverse sectors undertaken by these listed companies. Therefore, there are no listed companies that may be considered as the peer group of our Company. Therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.

For Details of our financial ratios, please refer chapter titled “Financial Information of our Company” beginning on Page 121 of this Draft Prospectus.

**20. We have reported negative net cash flows in the past and may do so in the future**

The details of Cash flows of the Company as per restated financial statement are as follows:

(₹ in lakhs)

Particulars	For the period ended July 31, 2021	For the year ended March 31, 2021
Net Cash Flow from Operating activities	(20.75)	-
Net Cash Flow from Investing activities	(18.54)	-
Net Cash Flow from Financing activities	187.02	1.00

For details, please refer chapter titled “Financial Information of our Company” beginning on Page No. 121 of this Draft Prospectus.

If our Company is not able to generate sufficient cash flows, our Company may not be able to generate sufficient amounts of cash flow to finance our projects, make new capital expenditure, pay dividends, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

**21. We do business with our customers on purchase order basis and do not have long-term contracts with most of them.**

Our business is conducted on purchase order basis, depending on the requirements of the client preferences and demand. We do not have long-term contracts with our customers and there can be no assurance that we will continue to receive repeat orders from any of them. Further, even if we were to continue receiving orders from our clients, there can be no assurance that they will be on the same terms, and the new terms may be less favourable to us than those under the present terms.

In Addition to above, we received orders through online portal such as Indiamart, Trade India, Exporter India etc. from our customer all over in India. The Products of our Company are listed on above online portal where any of the prospective customer can place order for the required products. Any disruption in our online listing of products, negative publicity of our products on such portal and any ineffective management of queries and concerns of our customers over the portal may impact the business operations and sales of our Company.

For further details of our business, please refer chapter titled “Business Overview” beginning on Page 81 of this Draft Prospectus.

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

We have entered into certain transactions with related parties, including our Promoter and Promoter Group and may continue to do so in future. Further our company has taken over the running business of proprietor firm and balance of related party was carried at time of acquisition which is pending for adjustment. These transactions entered into with, amongst others, our Promoter and Group Companies typically relate to rent, advances & acceptance of loans etc. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

There can be no assurance that we would not have achieved more favourable commercial terms with other parties. Furthermore, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. For more information, please refer section titled “Financial Information of our Company” beginning on page 121 of this Draft Prospectus.

**23. *In addition to normal remuneration, other benefits and reimbursement of expenses, some of our directors are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors are interested in our Company to the extent of their shareholding and dividend entitlement in our Company in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our directors would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our directors will always act to resolve any conflicts of interest in our favour, thereby affecting our business and results of operations and prospects.

For further details of transaction with directors, please refer chapter titled “Financial Information of our Company” beginning on Page 121 of this Draft Prospectus

**24. *Any Penalty or demand raise by statutory authorities in future will affect our financial position of the Company.***

Our Company is mainly engaged in furniture sector of handicrafts industry which attracts tax liability such as Goods and Service Tax, Income tax and other applicable provision of the Acts. However, the Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of the Company. For detail, Please refer “Outstanding Litigations and Material Development” beginning on page 155 of Draft Prospectus.

**25. *Reliance has been placed on declarations and affidavits furnished by certain of our Directors for details of their profiles included in this Draft Prospectus.***

Mr. Lalit Ghewarchand Karnawat, our Whole-Time Director and Mr. Neelabh Gotecha, Non-Executive Independent Director of our Company has been unable to trace copies of certain documents pertaining to his educational qualifications. Our Company has obtained confirmations from him that he has made his best efforts to procure the relevant supporting documents for these disclosures being made in this Draft Prospectus and in spite of such efforts, certain documents were not traceable.

Accordingly, reliance has been placed on declarations, undertakings and affidavits furnished by him to disclose details of his educational qualifications in this Draft Prospectus and we have not been able to independently verify these details. Therefore, we cannot assure you that all information relating to the educational qualifications of our Directors included in section titled “Our Management” beginning on page 103 are complete, true and accurate.

**26. *Strikes, work stoppages or increased benefit or wage demands by our employees and labour could adversely affect our business and results of operations.***

We may face increased labour costs because of competition for skilled employees, higher employee turnover rates, increase in minimum wages or employee benefits under applicable laws, our growth could be adversely affected. If we are unable to successfully negotiate with our labour or if there is any shortage or disruption in the availability of labour, it could result in work stoppages or

increased operating costs. Our supply of labour which is on contract basis may be adversely affected by, among other things, work stoppages and labour disputes.

Such events may also increase the price of labour that we can source for our business operations. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although there is no labour union formed by our workers at the time of this Draft Prospectus, we cannot assure you that our workers will not unionize, or attempt to unionize in the future. Further, there can be no assurance that we will have adequate access to skilled as well as unskilled workforce at reasonable rate and in the industry in which we operate. As a result, we may be required to incur additional costs to ensure the quality and timeliness of our services, which may in turn affect our results of operations.

***27. The unsecured loan availed by our Company from Director and Promoter group may be recalled at any given point of time.***

Our Company has been availing unsecured loans from Director and Promoter group from time to time. The total outstanding payable to them as on July 31, 2021 amounts to Rs. 17.02 Lacs. Although there are no terms and condition prescribed for repayment of unsecured loan from our Director and Promoter Group which can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Company.

For further details regarding loans availed by our Company, please refer “Financial Information of our Company” on page 121 of this Draft Prospectus.

***28. We are dependent on third party transportation providers for delivery of material from our suppliers and delivery of our finished products to our customers. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

Our success depends on the smooth supply and transportation of material from our supplier to our warehouse & processing unit and from our warehouse & processing unit to our customers both of which are subject to various uncertainties and risks. In addition, products may lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

For further details of our business, please refer chapter titled “Business Overview” beginning on Page 81 of this Draft Prospectus.

***29. Our top three customers contribute majority of our revenues from operations. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top three customers have contributed 98.81% of our revenues for the period ended July 31, 2021 based on Restated Financial Statements. However, our top customers may vary from period to period depending on the demand and thus the composition and revenue generated from these customers might change as we continue to add new customers in normal course of business. Since our business is concentrated among relatively few significant customers, we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business we obtain from them is reduced for any reason, including but not limited on account of any dispute or disqualification.

Accordingly, we cannot assure you that the customers which contribute to the major part of our revenue stream will pay us the amounts due to us on time, or at all. In the event any of our significant customers fail to fulfil their respective obligations, our business, financial condition and results of operations would be adversely affected. While we believe we have maintained good and long term relationships with our customers, there can be no assurance that we will continue to have such long term relationship with them. 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.

***30. Our top three suppliers contribute majority of our purchases. Any loss of business with one or more of them may adversely affect our business operations and profitability.***

Our top three suppliers contributed approximately 91.07% of our total purchases for the period ended July 31, 2021 based on Restated Financial Statements excluding the purchases transfer through takeover of proprietorship firm. However, our top suppliers may vary from period to period depending on the demand-supply mechanism and thus the supply process from these suppliers might change as we continue to seek more cost effective suppliers in normal course of business. Since our business is concentrated among relatively



few significant suppliers, we could experience a reduction in our purchases and business operations if we lose one or more of these suppliers, including but not limited on account of any dispute or disqualification.

While we believe we have maintained good and long term relationships with our other suppliers too, there can be no assurance that we will continue to have such long term relationship with them. We cannot assure that we shall do the same quantum of business, or any business at all, with these supplier, and loss of business with one or more of them may adversely affect our purchases and business operations.

***31. Any deficiency in our products could make our Company liable for customer claims, which in turn could affect our Company's results of operations.***

Our Company is bound by the terms and conditions as placed before its customers. There are no specific regulations governing the supply of the same, other than the general law of contracts. Any claims made by these customers for deficiency in our products, would be subject to these terms and conditions, which are in the nature of normal contractual obligations in India. Any violation of these obligations could impact our Company's results of operations.

For further details of our business, please refer chapter titled "Business Overview" beginning on Page 81 of this Draft Prospectus.

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

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

***33. The present promoter of the Company are first generation entrepreneurs.***

Our present Promoter are first generation entrepreneur. 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. Although our Promoter & Managing Director, Hitesh Karnawat have vast experience of around 7 years. For further details of our Director, Please refer chapter titled "Our Management" beginning on Page 103 of Draft Prospectus.

***34. We are subject to the risk of failure of, or a material weakness in, our internal control systems.***

We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses.

In addition, several of our collection related processes are yet to be fully automated, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material effect on our business, financial condition and results of operations.

***35. If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.***

We benefit from certain general tax regulations and incentives that accord favourable treatment to certain of our operations as well as for our activities. These tax benefits include income tax deductions and other taxes. For details regarding income tax deductions, please refer to the chapter "Statement of Special Tax Benefits" on page 69 of this Draft Prospectus.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such



lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and affect our business prospects, results of operations and financial condition.

**36. *Our company in some cases manufacture its product through job work from third party which is expose to risk of quality and durability of our Products.***

Our company in some cases manufacture its product through job work from third party. There is possibility that our company may face rejection of product on several occasions which exposes us to risk of additional losses. We may not be able to deliver the requisite quality of products to the customers which in turn would affect the credibility, profitability and cash flows of our company.

**37. *Our revenues and profits are dependent on several factors. Any adverse change in these factors or in combination of these factors may affect our business operations and the financial condition and consequently, our ability to pay dividends.***

Our revenues and profits are dependent on several factors such as retaining our key managerial personnel, our complying with laws, managing costs and expenses, maintaining adequate inventory levels and general market conditions. Any adverse change in these factors or a combination of these factors may adversely affect our business operations and the financial condition. Further, our ability to pay dividends will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. Therefore, although, we have maintained the profit levels and reserves, there can be no assurance that we shall have distributable funds or that we will declare dividends.

**38. *A slowdown in economic growth in India could have an adverse effect on our business, results of operations and financial condition.***

We operate in the furniture sector of handicrafts industry in India, where consumer demand for our products is highly dependent on the general economic conditions in India. A slowdown in economic growth could affect business and personal discretionary spending levels and lead to a decrease in demand for our products for prolonged periods. Such events could lead to a reduction in our revenues.

Further, we operate in the mid-priced handicraft sector alone, and do not have presence in the luxury or upscale sectors. This makes us more susceptible to adverse changes affecting demographic and economic strata of our customers. We cannot assure you that such macroeconomic and other factors, which are beyond our control would not significantly affect demand for our products. Consequently, the occurrence of such events could have an adverse effect on our business, results of operations and financial condition.

For further details of our business, please refer chapter titled "Business Overview" beginning on Page 81 of this Draft Prospectus.

**39. *Our funds requirements are based on internal management estimates, wherever possible, and have not been appraised by any bank or financial institution. Any increase in the actual deployment of funds may cause an additional burden on our finance plans. We have not entered into definitive agreements to utilize our Issue proceeds.***

The fund requirement mentioned as a part of the Objects of the Issue is based on internal management estimates, wherever possible, and has not been appraised by any bank or financial institution or any external agency. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, etc. With increase in costs, our actual deployment of funds may exceed our estimates and may cause us an additional burden on our finance plans. As on the date of the Draft Prospectus, we have not entered into any definitive agreements for implementing the Objects of the Issue.

For more information, please refer to "Objects of the Issue" on page 62 of the Draft Prospectus.

**40. *Our Company's management will have flexibility in utilizing the Net Proceeds from the Issue. 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 and for general corporate purposes as described in "Objects of the Issue" on page 62 of this Draft 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 Rs.100 crores. 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 Promoter 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, our business and financial results may suffer.

***41. We have not identified any alternate source of raising the funds mentioned as our 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

Our Company has not identified any alternate source of funding for our working capital requirement and for general corporate purposes and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may require our Company to borrow funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company.

For further details of our Object for the Issue, please refer chapter titled "Object for the Issue" beginning on Page 62 of this Draft Prospectus

***42. 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 may differ from those that would apply to a company in another jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such pre-emptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in our Company would decline.

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

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is determined considering various financial factors of the Company 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. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There

can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 120 of this Draft Prospectus.

***45. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined on the basis of the Fixed Price Issue. This price is based on numerous factors. For further information, see “Basis for Issue Price” beginning on page 67 of this Draft Prospectus. This issue price may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

***46. 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 your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, 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 Indian takeover regulations.

***47. The average cost of acquisition of Equity Shares by our Promoter could be lower than the Issue Price.***

Our Promoter’s average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as may be decided by the Company, in consultation with the LM. For further details regarding average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares by our Promoter in our Company, please refer to the chapters “Capital Structure” beginning on page 51 of this Draft Prospectus.

***48. The requirements of being a listed company may strain our resources and distract management.***

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur additional legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulation, 2015 which would require us to file audited annual and unaudited semi-annual and limited review reports with respect to our business and financial condition. If we delay making such filings, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

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

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

**50. *You will not be able to sell immediately on the Stock Exchanges any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the SME Platform of BSE Limited (BSE SME). Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within six (6) working days of the date of closure of the Issue or such other time as may be prescribed by SEBI. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed by law. Further, there can be no assurance that the Equity Shares to be Allotted pursuant to this Issue will be listed on the Stock Exchanges in a timely manner or at all.

**51. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt-to-equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**52. *We have in the last 12 months issued Equity Shares at a price that may be at lower than the Issue Price.***

In the last 12 months we may have issued fresh Equity Shares to the promoter and promoter group of our Company which are as follows: -

- Issue of 10,000 Equity shares of Rs. 10 each at par on Incorporation of our Company dated March 08, 2021
- Preferential issue of Equity Shares in consideration of business acquisition of M/s Handicrafts Village dated June 01, 2021 issuing 20,000 Equity shares of Rs 10 each at a premium of Rs 90.00 per equity share.
- Right Issue of Equity Shares dated July 15, 2021 issuing 55,400 Equity Shares of Rs.10 each at a premium of Rs 90.00 per equity share.
- Right Issue of Equity Shares dated July 30, 2021 issuing 94,600 Equity Shares of Rs.10 each at a premium of Rs 90.00 per equity share.
- Bonus Issue of Equity Shares dated July 31, 2021 issuing 13,50,000 Equity shares face value Rs 10/- per Equity Share

The Equity Shares allotted to investors pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time.

For Further details of equity shares issued, please refer to the chapter titled “Capital Structure” beginning on page 51 of the Draft Prospectus.

***53. We will continue to be controlled by our Promoter and Promoter Group after the listing of the Equity Shares in the Issue.***

Upon successful completion of the Issue, our Promoter and Promoter Group will collectively control, directly or indirectly, approximately [●]% of our outstanding Equity Shares (assuming full subscription to the Issue). As a result, our Promoter and Promoter Group will continue to have the ability to exercise significant control over our Company and all matters requiring shareholder approval, including election of directors, our business strategy and policies, and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in our Company may also have the effect of delaying, preventing or deterring a change in control of our Company, even if such a transaction may be beneficial to the other shareholders. The interests of our Promoter and Promoter Group as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoter and Promoter Group will act to resolve any conflicts of interest in favour of our Company or the other shareholders. Further any instance of disinvestments of Equity Shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares.

For Further details of Capital Build-up, please refer to the chapter titled “Capital Structure” beginning on page 51 of the Draft Prospectus.

**EXTERNAL RISK FACTORS**

***54. 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.***

Any change in tax laws, including for indirect taxes, may result in us no longer being able to enjoy the existing exemptions / benefits, available to us, which could adversely impact our profitability. If there is an upward revision to the currently applicable special corporate tax rates, our tax burden will increase. Other benefits such as inapplicability of minimum alternate tax rates, as applicable to other corporates, exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds.

The Government has announced the interim union budget for the Financial Year 2021. Further, the Finance Act, 2021 (the “Finance Act”) has made various amendments. Further, the Government has also announced the union budget for Financial Year 2021, pursuant to which the Finance (No.2) Bill, 2020 proposes to introduce the various amendments. As such, there is no certainty on the impact that the Finance (No. 2) Bill, 2020 may have on our business and operations or on the industry in which we operate.

We cannot predict whether any tax laws or regulations impacting loans or financial products will be enacted, the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have a material adverse effect business, results of operations and financial condition.

***55. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.***

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.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2021 (“Finance Act”) on March 28, 2021, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020 There is no certainty on the impact that the Finance Act may have on our business and



operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 (“**Bill**”) has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

**56. *Our business is substantially affected by prevailing economic conditions in India.***

We perform all of our business activities in India, and the predominant portions of our customers are Indian nationals. As a result, we are highly dependent on prevailing economic conditions in India and our results of operation are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our industry and the purchase thereof by our customers;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India’s present tax, trade, fiscal or monetary policies;
- natural disasters, political instability, communal disturbances, riots, civil unrest, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighboring countries;
- prevailing national, regional or global economic conditions, including in India’s principal export markets; and
- other significant regulatory or economic developments in or affecting India.

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

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

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

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

**59. *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, tsunamis, 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.



**60. *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.

**61. *Our business and activities may be further regulated by the Competition Act and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operations.***

The Competition Act seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (the "CCI"). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls the production, supply or distribution of goods and services, or shares the market or source of production or providing of services by way of allocation of geographical area or type of goods or services or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary etc., that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees are penalized under the Competition Act, our business may be adversely affected. Further, the Competition Act also regulates combinations and requires approval of the CCI for effecting any acquisition of shares, voting rights, assets or control or mergers or amalgamations above the prescribed asset and turnover based thresholds.

On March 4, 2011, the Government of India notified and brought into force new provisions under the Competition Act in relation to combined entities (the "Combination Regulation Provisions"), which came into effect from June 1, 2011. The Combination Regulation Provisions require that any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, must be notified to and preapproved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (as amended). These regulations, as amended, set out the mechanism for the implementation of the Combination Regulation Provisions under the Competition Act.

**62. *Companies in India are required to prepare financial statements under the new Indian Accounting Standards. In addition, all income-tax assessee in India will be required to follow the Income Computation and Disclosure Standards.***

The Ministry of Corporate Affairs ("MCA"), Government of India, has through notification dated February 16, 2015 issued the Indian Accounting Standards Rules, 2015 ("Ind AS") which have come into effect from April 1, 2015 and are applicable to companies which fulfill certain conditions. Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

Further, the Ministry of Finance, Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for computation of taxable income. The ICDS shall apply from the assessment year 2017-2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

**63. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our financial statements are prepared and presented in conformity with Indian GAAP. No attempt has been made to reconcile any of the information given in this document to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in



other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

## SECTION IV – INTRODUCTION

### THE ISSUE

#### PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS:

<b>Equity Shares<sup>(1)</sup>: Public Issue of Equity Shares by our Company<sup>(2)</sup></b>	Upto 5,60,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	[●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
<b>Net Issue to the Public<sup>(3)</sup></b>	[●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
	<b>Of Which<sup>(3)</sup>:</b>
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs
<b>Equity Shares outstanding prior to the Issue</b>	15,30,000 Equity Shares of Rs. 10/- each
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of Rs. 10/- each
<b>Objects of the Issue</b>	Please refer chapter titled “Objects of the Issue” beginning on Page No. 62 of this Draft Prospectus

<sup>(1)</sup> This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer the section titled “Issue Related Information” beginning on Page No. 174 of this Draft Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated September 01, 2021 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Annual General Meeting of our shareholders held on September 04, 2021.

<sup>(3)</sup> The allocation is the net issue to the public category shall be made as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

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

For further details please refer to the chapter titled “Issue Structure” beginning on Page No. 179 of this Draft Prospectus.

**SUMMARY OF FINANCIALS INFORMATION**

**ANNEXURE – A: RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st July 2021	As at 31st March 2021
<b>A.</b>	<b>Equity and Liabilities</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	Share Capital	<b>A.1</b>	153.00	1.00
	Reserves & Surplus	<b>A.2</b>	19.96	-
	<b>Share application money pending allotment</b>			-
<b>2</b>	<b>Non-Current Liabilities</b>			
	Long-Term Borrowings			
	Other Non-Current Liabilities			
	Long-Term Provisions		-	-
	Deferred Tax Liabilities (Net)			
<b>3</b>	<b>Current Liabilities</b>			
	Short Term Borrowings	<b>A.3</b>	17.02	-
	Trade Payables :	<b>A.4</b>		
	(A) total outstanding dues of micro enterprises and small enterprises; and		0.27	
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]		14.31	-
	Other Current Liabilities	<b>A.5</b>	1.32	-
	Short Term Provisions	<b>A.6</b>	0.69	-
	<b>Total</b>		<b>206.57</b>	<b>1.00</b>
<b>B.</b>	<b>Assets</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	Property, Plant and Equipment			
	Tangible Assets	<b>A.7</b>	4.07	0.00
	Capital Work In Progress	<b>A.7</b>	0.00	-
	Intangible Assets			-
	Non-Current Investments			-
	Deferred Tax Assets	<b>A.8</b>	0.03	-
	Long Term Loans & Advances	<b>A.9</b>	5.61	-
	Non-Current Investments		-	-
	Other Non-Current Assets	<b>A.10</b>	8.54	-
<b>2</b>	<b>Current Assets</b>			
	Current Investments			-
	Inventories	<b>A.11</b>	12.70	-
	Trade Receivables	<b>A.12</b>	17.99	-
	Cash and Cash Equivalents	<b>A.13</b>	148.73	1.00
	Short-Term Loans and Advances	<b>A.14</b>	4.79	-
	Other Current Assets	<b>A.15</b>	4.11	-
	<b>Total</b>		<b>206.57</b>	<b>1.00</b>

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, B & C.

**ANNEXURE – B: RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs in Lakhs)

Sr. No	Particulars	Note No.	For the period ended	
			31st July 2021	31st March 2021
<b>A.</b>	<b>Revenue:</b>			
	Revenue from Operations	<b>B.1</b>	11.41	0.00
	Other income	<b>B.2</b>	0.00	0.00
	<b>Total revenue</b>		<b>11.41</b>	<b>0.00</b>
<b>B.</b>	<b>Expenses:</b>			
	Cost of Material Consumed	<b>B.3</b>	14.17	-
	Purchase of Stock in Trade		0.00	0.00
	Change in Inventories of Finished Goods, WIP & Stock in Trade	<b>B.4</b>	(6.66)	-
	Employees Benefit Expenses	<b>B.5</b>	0.20	0.00
	Finance costs		-	-
	Depreciation and Amortization	<b>B.6</b>	0.32	0.00
	Other expenses	<b>B.7</b>	0.75	0.00
	<b>Total Expenses</b>		<b>8.79</b>	<b>0.00</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>2.62</b>	<b>0.00</b>
	Exceptional Items		-	-
	<b>Profit before extraordinary items and tax</b>		<b>2.62</b>	<b>0.00</b>
	Extraordinary items		-	-
	<b>Profit before tax</b>		<b>2.62</b>	<b>0.00</b>
	<b>Tax expense :</b>			
	Current tax		0.69	-
	Deferred Tax	<b>B.8</b>	(0.03)	-
	<b>Profit (Loss) for the period from continuing operations</b>		<b>1.96</b>	<b>-</b>
	<b>Earning per equity share in Rs.:</b>			
	(1) Basic		0.14	-
	(2) Diluted		0.14	-

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, A & C.

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

(Rs in Lakhs)

Particulars	For the period ended	
	31st July 2021	31st March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	2.62	-
Adjustments for:		
Depreciation	0.32	-
<b>Operating profit before working capital changes</b>	<b>2.95</b>	<b>-</b>
Movements in working capital :		
(Increase)/Decrease in Inventories	(12.70)	-
(Increase)/Decrease in Trade Receivables	(17.99)	-
(Increase)/Decrease in Short Term Loans & Advances	(4.79)	-
(Increase)/Decrease in Other Current Assets	(4.11)	
Increase/(Decrease) in Trade Payables	14.58	-
Increase/(Decrease) in Other Current Liabilities	1.32	-
<b>Cash generated from operations</b>	<b>(20.75)</b>	<b>-</b>
Income tax paid during the year	-	-
<b>Net cash from operating activities (A)</b>	<b>(20.75)</b>	<b>-</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4.39)	-
(Increase)/Decrease in Long Term Loans & Advances	(5.61)	-
Increase in Other Non-Current Assets	(8.54)	-
<b>Net cash from investing activities (B)</b>	<b>(18.54)</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	17.00	1.00
Increase/(Decrease) in Short Term Borrowings	17.02	-
Proceeds from Securities Premium	153.00	-
<b>Net cash from financing activities (C)</b>	<b>187.02</b>	<b>1.00</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>147.73</b>	<b>1.00</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1.00</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>148.73</b>	<b>1.00</b>

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure C, A & B.





## **SECTION V - GENERAL INFORMATION**

Our Company was originally incorporated on March 08, 2021 as “Shashwat Furnishing Solutions Private Limited” vide Registration No. 073899/2020-21 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, our Company has acquired the entire running business with the assets and liabilities of M/s Handicrafts Village, sole proprietorship concern of our Promoter Mr. Hitesh Karnawat vide Business Transfer Agreement dated June 01, 2021. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Shashwat Furnishing Solutions Private Limited” to “Shashwat Furnishing Solutions Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on August 12, 2021 and a fresh certificate of incorporation dated August 27, 2021 issued by the Registrar of Companies, Jaipur. The Corporate Identity Number of our Company is U20299RJ2021PLC073899.

For further details, please refer to chapter titled “History and Corporate Structure” beginning on page 98 of this Draft Prospectus.

### **Registered Office of our Company**

#### **Shashwat Furnishing Solutions Limited**

121, Mahaveer Nagar, Jain Colony,  
Jodhpur - 342001, Rajasthan, India.

**Tel. No.:** +91-9001269000

**E-mail:** [info@handicraftsvillage.com](mailto:info@handicraftsvillage.com)

**Website:** [www.handicraftsvillage.com](http://www.handicraftsvillage.com)

Corporate Identification Number: U20299RJ2021PLC073899

**Reg. No.:** 073899/2020-21

### **Processing Unit**

#### **Shashwat Furnishing Solutions Limited**

G/30 RICCO Industrial Area,  
Boranada Industrial Park, Phase I  
Jodhpur - 342012, Rajasthan, India

### **Warehouse**

#### **Shashwat Furnishing Solutions Limited**

Plot No 18-19, Moti Nagar, Sangariya,  
Khasra Number 184, Jodhpur – 342013, Rajasthan, India

For details relating to changes to the address of our Registered Office, please see “History and Corporate Structure - Changes to the address of the Registered Office of our Company” on page 98 of this Draft Prospectus.

### **Address of Registrar of Companies**

#### **Registrar of Companies, Jaipur**

Ministry of Corporate affairs,  
C/6-7, 1<sup>st</sup> Floor, Residency Area, Civil Lines,  
Jaipur-302001, Rajasthan, India.

**Tel No.** +91- 0141-2981913

**Fax No.:** +91- 0141-2981916

**Email:** [roc.jaipur@mca.gov.in](mailto:roc.jaipur@mca.gov.in)

**Website:** <http://www.mca.gov.in>

### **Designated Stock Exchange**

#### **BSE Limited**

P.J. Towers, Dalal Street, Fort,  
Mumbai - 400001, Maharashtra, India  
Website – [www.bseindia.com](http://www.bseindia.com)

## Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Hitesh Karnawat	Chairman and Managing Director	Hudco Quarter, Kamla Nehru Nagar, 121, Mahavir Nagar, Jain Colony, Guro ka Talab, Jodhpur-342003, Rajasthan, India.	09097273
Mr. Lalit Ghewarchand Karnawat	Whole-Time Director	Hudco Quarter, Kamla Nehru Nagar, 121, Mahavir Nagar, Jain Colony, Guro ka Talab, Jodhpur-342003, Rajasthan, India.	09097274
Mrs. Mayuri Karnawat	Whole-Time Director	121, Mahaveer Nagar, Guro ka Talab, Jodhpur-342001, Rajasthan, India.	09276591
Mr. Adesh Bhansali	Non-Executive Independent Director	2 Kh 50, Near Rangoli Shop, Chopasani Housing Board, Jodhpur, Nandanwan-342008, Rajasthan, India.	09298681
Mr. Praveen Kumar Bokariya	Non-Executive Independent Director	203 B Shubh Kamna, M D Keni Road, Nahur East, Mumbai-400042, Maharashtra, India.	08028204
Mr. Neelabh Gotecha	Non-Executive Independent Director	Plot No-203, Paota C Road, Laxmi Nagar, Jodhpur Kachery, Jodhpur-342006, Rajasthan, India	09298749

For further details of the Directors of our Company, please refer to the chapter titled “Our Management” on page 103 of this Draft Prospectus.

## Company Secretary and Compliance Officer

**MRS. RATIKA KHANDELWAL**  
**Shashwat Furnishing Solutions Limited**  
 121, Mahaveer Nagar, Jain Colony,  
 Jodhpur-342001, Rajasthan, India  
 Tel. No.: 9001269000  
 E-mail: [cs@handicraftsvillage.com](mailto:cs@handicraftsvillage.com)

## Chief Financial Officer

**MRS. MAYURI KARNAWAT**  
**Shashwat Furnishing Solutions Limited**  
 121, Mahaveer Nagar, Jain Colony,  
 Jodhpur-342001, Rajasthan, India  
 Tel. No.: 9001269000  
 E-mail: [cfo@handicraftsvillage.com](mailto:cfo@handicraftsvillage.com)

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-Issue or post-Issue related problems such as non-receipt of Intimation for Allotment, credit of allotted Equity Shares in the respective beneficiary account.

All grievances relating to the ASBA process including UPI may be addressed to the Registrar to the Issue, with a copy to the Designated Intermediary with whom the ASBA Form was submitted, giving full name of the sole or First Applicant, ASBA Form number, Applicant’s DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of Application Form, address of Applicant, the name and address of the relevant Designated Intermediary, where the Application Form was submitted by the Applicant, ASBA Account number (for Applicants other than RIIs bidding through the UPI mechanism) in which the amount equivalent to the Application Amount was blocked or UPI ID in case of RIIs bidding through the UPI mechanism. Further, the Applicant shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries, and for Redressal of complaints, applicant may also write to the Lead Manager and Company. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Lead Manager, who shall respond to the same

**Details of Key Intermediaries pertaining to this Issue and Our Company:**

**LEAD MANAGER OF THE ISSUE**

**BEELINE BROKING LIMITED**

SEBI Registration Number: INM000012546  
MB Division: 807, Phoenix Tower, Opp. New Girish Cold Drinks,  
Near Vijay Cross Roads, Navrangpura, Ahmedabad – 380 009  
**Telephone Number:** +91 79 4840 5357  
**Email Id:** [mb@beelinemb.com](mailto:mb@beelinemb.com)  
**Investors Grievance Id:** [ig@beelinebroking.com](mailto:ig@beelinebroking.com)  
**Website:** [www.beelinebroking.com](http://www.beelinebroking.com)  
**Contact Person:** Mrs. Khushbu Shah  
**CIN:** U51900GJ2014PLC080598

**LEGAL ADVISOR TO THE ISSUE**

**ASHA AGARWAL & ASSOCIATES**

30/24/08, Varun Path, Mansorvar  
Jaipur-302020, Rajasthan, India  
**Tel No.:** +91- 9950933137  
**Email:** [ashaagarwalassociates@gmail.com](mailto:ashaagarwalassociates@gmail.com)  
**Contact Person:** Ms. Nisha Agarwal

**REGISTRAR TO THE ISSUE**

**KFIN TECHNOLOGIES PRIVATE LIMITED**

Selenium Building, Tower-B, Plot No 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi, Telangana-500032 India.  
**Tel. No.:** +91-40-6716-2222  
**Fax No.:** +91-40-2343-1551  
**Email:** [shashwat.ipo@kfintech.com](mailto:shashwat.ipo@kfintech.com)  
**Website:** [www.kfintech.com](http://www.kfintech.com)  
**Investor Grievance Email:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
**Contact Person:** M Murali Krishna  
**SEBI Registration No.:** INR000000221

**BANKERS TO THE COMPANY**

[•]

**STATUTORY AUDITORS & PEER REVIEW AUDITOR OF THE COMPANY**

**M/S. A Y & CO., Chartered Accountants**

404, Fourth Floor, ARG Corporate Park  
Ajmer Road, Gopal Bari, Jaipur – 302006,  
Rajasthan, India  
**Tel No.:** +91 0141-4037257; +91-9649687300  
**Email:** [info@aycompany.co.in](mailto:info@aycompany.co.in)  
**Contact Person:** Mr. Arpit Gupta  
**Membership No.:** 421544  
**Firm Registration No.:** 020829C  
**Peer Review Registration No. –** 013225

M/s A Y & CO., Chartered Accountants hold a peer review certificate dated July 15, 2021 issued by the Institute of Chartered Accountants of India.

## **BANKERS TO THE ISSUE AND REFUND BANKER/SPONSOR BANK**

[•]

### **STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Since Beeline Broking Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not required.

### **SELF CERTIFIED SYNDICATE BANKS (“SCSBS”) AND SYNDICATE SCSB BRANCHES**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on Designated Branches of SCSBs collecting the Application Forms, please refer to the above mentioned SEBI link.

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

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Applicants (other than RIIs) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

### **REGISTERED BROKERS**

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

### **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.bseindia.com](http://www.bseindia.com), as updated from time to time and on SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.bseindia.com](http://www.bseindia.com), as updated from time to time and SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18>; <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4>

### **Investors Banks or Issuer Banks for UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Application Forms, please refer to the above mentioned SEBI link.

### **BROKERS TO THE ISSUE**

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

### **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 the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

## **DEBENTURE TRUSTEES**

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

## **TRUSTEES**

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

## **MONITORING AGENCY**

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lacs.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

## **APPRAISING ENTITY**

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

## **FILING OF OFFER DOCUMENT**

The Draft Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR), 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Prospectus shall also be furnished to the board in a soft copy. Also, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, through SEBI intermediary portal at [www.siportal.sebi.gov.in](http://www.siportal.sebi.gov.in) for their record purpose only.

The Draft Prospectus/ Prospectus are being filed with BSE Limited, P.J. Towers, Dalal Street, Fort, Mumbai - 400001, Maharashtra, India.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Jaipur, Ministry of Corporate affairs, C/6-7, 1<sup>st</sup> Floor, Residency Area, Civil Lines, Jaipur-302001, Rajasthan, India.

## **EXPERTS OPINION**

Except for the reports in the section "Financial Information of our company" and "Statement of Special Tax Benefits" on page 121 and page 69 of this Draft Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraw the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. 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. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh 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 approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## UNDERWRITING

In terms of Regulation 260 (1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent of the offer and shall not be restricted upto the minimum subscription level and as per sub regulation (2) The lead manager(s) shall underwrite at least 15% of the issue size on their own account(s).

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company and Underwriter – [●], the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten ( in Lakh)	% of Total Issue Size Underwritten
[●]	[●] Equity Shares of ₹ 10/- being Issued at [●] each	[●]	100%

*\*Includes [●] Equity shares of Rs.10.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

As per Regulation 260(2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

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

## CHANGES IN AUDITORS DURING LAST THREE YEARS

Our Company has appointed M/s A Y & Co., Chartered Accountants as the first statutory auditors of our Company.



## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	[●]
<b>Correspondence Address:</b>	[●]
<b>Tel No.:</b>	[●]
<b>E-mail:</b>	[●]
<b>Website:</b>	[●]
<b>Contact Person:</b>	[●]
<b>SEBI Registration No.:</b>	[●]

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

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

1. The Market Maker(s) (individually or jointly) 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(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE Limited and SEBI from time to time
3. The minimum depth of the quote shall be ₹ 1, 00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(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. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the SME Platform of BSE from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
6. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE Limited from time to time.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
9. 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.
10. 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.
11. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. 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.

13. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

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 the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

14. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
15. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Offer size up to Rs. 250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.

Additionally, the trading shall take place in TFT segment for first 10 trading days from commencement of trading.

The following spread will be applicable on the SME Exchange Platform.

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

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

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

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

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

₹ 50 to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

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

## SECTION VI – CAPITAL STRUCTURE

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

Amount (Rs. in Lacs, except share data)			
Sr. No.	Particulars	Aggregate nominal Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 50,00,000 Equity Shares having Face Value of Rs 10/- each	500.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital before the Issue</b> 15,30,000 Equity Shares having Face Value of Rs.10/- each fully paid up before the Issue.	153.00	-
C	<b>Present Issue in terms of the Draft Prospectus</b> Issue of upto 5,60,000 Equity Shares having Face Value of Rs.10/- each at a price of Rs. [●] per Equity Share.	[●]	[●]
	<b>Which Comprises</b>	[●]	[●]
I.	<b>Reservation for Market Maker portion</b> [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
II.	<b>Net Issue to the Public</b> Net Issue to Public of [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share to the Public	[●]	[●]
	<b>of which<sup>(2)</sup></b>	[●]	[●]
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs	[●]	[●]
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs	[●]	[●]
D	<b>Issued, Subscribed and Paid up Equity Share capital after the Issue</b> [●] Equity Shares of Rs. 10/- each	[●]	-
E	<b>Securities Premium Account</b> Before the Issue After the Issue		18.00 [●]

<sup>(1)</sup> The Present Issue of upto 5,60,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 01, 2021 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Annual General Meeting of the members held on September 04, 2021.

<sup>(2)</sup> The allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

\*The amount disclosed is prior to deduction of Issue expenses.

### **Class of Shares**

As on the date of Draft Prospectus Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

### **Details of changes in Authorized Share Capital of our Company:**

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

- a) The initial Authorised share capital of our Company was ₹1.00 Lakh (Rupees One Lakh) divided into 10,000 (Ten Thousand) Equity Shares of ₹10/- each. This Authorised capital was increased to ₹500.00 Lakh (Rs Five crore) divided into 50,00,000 (Fifty lakhs) Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra-Ordinary General Meeting held on June 01, 2021

## Notes to Capital Structure

### 1. Equity Share Capital History of our Company:

(a) The history of the equity share capital and the securities premium account of our company are set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
On Incorporation*	10,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	10,000	1,00,000	Nil
June 01, 2021 <sup>#</sup>	20,000	10	100	Other than Cash	Preferential Issue <sup>(ii)</sup>	30,000	3,00,000	18,00,000
July 15, 2021	55,400	10	100	Cash	Right Issue <sup>(iii)</sup>	85,400	8,54,000	67,86,000
July 30, 2021	94,600	10	100	Cash	Right Issue <sup>(iv)</sup>	1,80,000	18,00,000	1,53,00,000
July 31, 2021 <sup>§</sup>	13,50,000	10	--	Other than Cash	Bonus Issue <sup>(v)</sup>	15,30,000	1,53,00,000	18,00,000

\* Shares was subscribed to Initial Subscriber to Memorandum of Association on March 08, 2021.

<sup>#</sup> Issue of 20,000 Equity Shares has been issued in lieu of consideration of entire business acquisition of M/s Handicrafts Village, proprietorship firm of our Promoter Mr. Hitesh Karnawat.

<sup>§</sup> Bonus issue of 13,50,000 equity shares in the ratio of 15:2 dated July 31, 2021 has been issued by Capitalization of Reserve & Surplus of the Company.

All the above-mentioned shares are fully paid up since the date of allotment.

#### Notes:

(i) Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Hitesh Karnawat	9,000
2.	Mr. Lalit Ghewarchand Karnawat	1,000
	<b>Total</b>	<b>10,000</b>

(ii) Preferential Issue of 20,000 Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 100/- in lieu of consideration of business acquisition of M/s Handicrafts Village. The details of which are given below:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Hitesh Karnawat	20,000
	<b>Total</b>	<b>20,000</b>

(iii) Rights Issue of 60,000 Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 100/- in proportion of 2 Equity Shares for each Equity Share held. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

S. No.	Names of Person	Equity Shares Offered	Equity Shares Received/(Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Mr. Hitesh Karnawat	58,000	-	58,000	55,400	2,600
2.	Mr. Lalit Ghewarchand Karnawat	2,000	-	2,000	-	2,000
	<b>Total</b>	<b>60,000</b>	<b>--</b>	<b>60,000</b>	<b>55,400</b>	<b>4,600</b>

- (iv) **Rights Issue of 1,02,480 Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 100/- in proportion of 6 Equity Shares for every 5 Equity Shares held. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:**

S. No.	Names of Person	Equity Shares Offered	Equity Shares Received/(Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Mr. Hitesh Karnawat	1,01,280	(16,300)	84,980	77,100	7,880
2.	Mr. Lalit Ghewarchand Karnawat	1,200	6,300	7,500	7,500	-
3.	Mrs. Mayuri Karnawat	-	10,000	10,000	10,000	-
	<b>Total</b>	<b>1,02,480</b>	<b>--</b>	<b>1,02,480</b>	<b>94,600</b>	<b>7,880</b>

- (v) **Bonus allotment of 13,50,000 Equity Shares of Face Value of Rs. 10/- each fully paid in the ratio of 15:2 i.e., 15 Bonus Equity Shares for 2 equity share held:**

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Hitesh Karnawat	12,11,250
2.	Mr. Lalit Ghewarchand Karnawat	63,750
3.	Mrs. Mayuri Karnawat	75,000
	<b>Total</b>	<b>13,50,000</b>

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

## 2. Issue of Equity Shares for consideration other than cash

Except as disclosed in point 1 (a) (ii) & (v) above, we have not issued any Equity Shares for consideration other than cash.

## 3. Details of Allotment made in the last two years preceding the date of the Draft Prospectus:

Except as disclosed in point 1 (a) (i), (ii), (iii), (iv) & (v) above, we have not issued any Equity Shares in the last two years preceding the date of the Draft Prospectus

- No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and relevant section of 230-234 of Companies Act 2013.
- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- As on the date of the Draft Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
- Except Preferential Issue and Bonus Issue of Shares as disclosed in point 1 (a) (v) above, no Equity Shares have been issued at price below the Issue Price within last one year from the date of the Draft Prospectus.



## 8. Capital Build up in respect of shareholding of our Promoter:

As on date of the Draft Prospectus, our promoter Mr. Hitesh Karnawat holds together 13,72,350 Equity Shares of our Company. None of the Equity Shares held by our Promoter are subject to any pledge.

Date of Allotment and made fully paid up /transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue /Acquisition / Transfer Price per Equity Share (₹)*	Pre-Issue Shareholding %	Post-Issue Shareholding %	Lock in Period	Source of Funds
<b>Mr. Hitesh Karnawat</b>								
March 08, 2021	On Incorporation	9,000	10	10.00	0.59	[●]	[●]	Own fund
June 01, 2021	Preferential Issue	20,000	10	100.00	1.31	[●]	[●]	-
July 15, 2021	Right Issue	55,400	10	100.00	3.62	[●]	[●]	Borrowed fund
July 30, 2021	Right Issue	77,100	10	100.00	5.04	[●]	[●]	Borrowed fund
July 31, 2021	Bonus Issue	12,11,250	10	-	79.17	[●]	[●]	-
August 10, 2021	Transfer <sup>(i)</sup>	(400)	10	10	(0.03)	[●]	[●]	-
<b>Total</b>		<b>13,72,350</b>			<b>89.70</b>	[●]	[●]	

### (i) Details of Transfer of Share by Mr. Hitesh Karnawat dated August 10, 2021

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	August 10, 2021	Mr. Hitesh Karnawat	100	Mrs. Jayshree Karnawat
2.			100	Mr. Rajendra Jain
3.			100	Mrs. Sapna Jain
4.			100	Mrs. Sushiladevi Lalitkumar Karnawat
<b>Total</b>			<b>400</b>	

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Hitesh Karnawat	13,72,350	11.17

\*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

10. Except as provided below there are no Equity Shares purchased/acquired or sold by our Promoter, Promoter Group and/or by our directors and their immediate relatives within six months immediately preceding the date of filing of the Draft Prospectus.

Date of Transaction	Number of Equity Shares Allotted/ Acquired/ Sold	Face Value (Rs.)	Issue Price/ Acquired Price (Rs.)*	Nature	Nature of Consideration	Name of the Allottees/ Transferor/transfer ee	Category
March 08, 2021	9,000	10	10	Subscription to MOA	Cash	Mr. Hitesh Karnawat	Managing Director & Promoter
March 08, 2021	1,000	10	10	Subscription to MOA	Cash	Mr. Lalit Ghewarchand Karnawat	Whole-time Director & Promoter Group

June 01, 2021	20,000	10	100	Preferential Issue	Other than Cash	Mr. Hitesh Karnawat	Managing Director & Promoter
July 15, 2021	55,400	10	100	Right Issue	Cash	Mr. Hitesh Karnawat	Managing Director & Promoter
July 30, 2021	77,100	10	100	Right Issue	Cash	Mr. Hitesh Karnawat	Managing Director & Promoter
July 30, 2021	7,500	10	100	Right Issue	Cash	Mr. Lalit Ghewarchand Karnawat	Whole-time Director & Promoter Group
July 30, 2021	10,000	10	100	Right Issue	Cash	Mrs. Mayuri Karnawat	Whole-time Director & Promoter Group
July 31, 2021	12,11,250	10	-	Bonus Issue	Other than Cash	Mr. Hitesh Karnawat	Managing Director & Promoter
July 31, 2021	63,750	10	-	Bonus Issue	Other than Cash	Mr. Lalit Ghewarchand Karnawat	Whole-time Director & Promoter Group
July 31, 2021	75,000	10	-	Bonus Issue	Other than Cash	Mrs. Mayuri Karnawat	Whole-time Director & Promoter Group
August 10, 2021	100	10	10	Acquisition of shares by Transfer	Cash	Mrs. Jayshree Karnawat	Promoter Group
August 10, 2021	100	10	10	Acquisition of shares by Transfer	Cash	Mrs. Sushiladevi Lalitkumar Karnawat	Promoter Group
August 10, 2021	100	10	10	Acquisition of shares by Transfer	Cash	Mrs. Sapna Jain	Promoter Group
August 10, 2021	100	10	10	Acquisition of shares by Transfer	Cash	Mr. Rajendra Jain	Promoter Group

\*The maximum and minimum price at which the aforesaid transaction was made is 100 and Nil Equity Share.

11. Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of the Draft Prospectus is as below: -

S. No	Names	Pre Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoter</b>				
1.	Mr. Hitesh Karnawat	13,72,350	89.70	13,72,350	[●]
	<b>TOTAL (A)</b>	<b>13,72,350</b>	<b>89.70</b>	<b>13,72,350</b>	<b>[●]</b>
	<b>Promoter Group</b>				
1.	Mr. Lalit Ghewarchand Karnawat	72,250	4.72	72,750	[●]
2.	Mrs. Mayuri Karnawat	85,000	5.56	85,000	[●]
3.	Mrs. Jayshree Karnawat	100	0.01	100	[●]
4.	Mrs. Sushiladevi Lalitkumar Karnawat	100	0.01	100	[●]
5.	Mrs. Sapna Jain	100	0.01	100	[●]
6.	Mr. Rajendra Jain	100	0.01	100	[●]
	<b>TOTAL (B)</b>	<b>1,57,650</b>	<b>10.30</b>	<b>1,57,650</b>	<b>[●]</b>
	<b>GRAND TOTAL (A+B)</b>	<b>15,30,000</b>	<b>100.00</b>	<b>15,30,000</b>	<b>[●]</b>

## 12. Details of Promoter's Contribution locked in for three years:

Date of Allotment / transfer of fully paid up Shares	Date when made Fully paid up	Nature of Allotment/ Acquired/Transfer	No. of shares Allotted/ Acquired Transferred	Face Value (Rs.)	Issue Price/ Transfer Price (Rs.)	% of Pre Issue Shareholding	% of Post Issue Shareholding	Lock in Period
<b>Mr. Hitesh Karnawat</b>								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Total (A)</b>			[●]			[●]	[●]	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoter Contribution as per Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 236 of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoter Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-Issue shareholding of the Promoter, other than the Minimum Promoter contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoter, Mr. Hitesh Karnawat has, by a written undertaking, consented to have [●] Equity Shares held by them to be locked in as Minimum Promoter Contribution for a period of three years from the date of allotment in this Issue and will not be disposed/sold/transferred by the promoter during the period starting from the date of filing this Draft Prospectus with SME Platform of BSE till the date of commencement of lock-in period as stated in this Draft Prospectus. The Equity Shares under the Promoter contribution will constitute [●] of our post-Issue paid up share capital.

Our Promoter have also consented that the Promoter contribution under Regulation 236 of the SEBI ICDR Regulations will not be less than 20% of the post Issue paid up capital of our Company.

### Eligibility of Share for "Minimum Promoter Contribution in terms of clauses of Regulation 237 of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237 (1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b>Hence Eligible</b>
237 (1) (a) (ii)	Specified securities 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	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (b)	Specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer.	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237 (1) (c)	Specified securities allotted to the promoters and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period,	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management	
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

#### Details of Share Capital Locked In For One Year

In terms of Regulation 236 and 237 of the SEBI ICDR Regulations, in addition to the Minimum Promoter contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoter and entire pre-issue capital held by persons other than promoter of our Company i.e. Promoter Group members [●] Equity Shares shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### Other requirements in respect of lock-in:

- a) In terms of Regulation 242 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoter, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by the Promoter may be transferred to and amongst the Promoter Group or to new promoter or persons in control of the company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

### 13. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of the Draft Prospectus:

#### I – Summary of Shareholding Pattern:-

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated 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 Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								Class	No of Voting Rights	Total			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	<b>VI</b>	<b>VII = IV+V+VI</b>	<b>VIII</b>	<b>IX</b>			<b>X</b>	<b>XI=VII+X</b>	<b>XII</b>		<b>XIII</b>		<b>XIV</b>
(A)	Promoter & Promoter Group	7	15,30,000	-	-	15,30,000	100.00	15,30,000	15,30,000	100.00	-	100.00	[●]	[●]	-	[●]	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
I	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>	<b>7</b>	<b>15,30,000</b>	<b>-</b>	<b>-</b>	<b>15,30,000</b>	<b>100.00</b>	<b>15,30,000</b>	<b>15,30,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>[●]</b>	<b>[●]</b>	<b>-</b>	<b>[●]</b>	

\*As on date of this Draft Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

**14. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Hitesh Karnawat	13,72,350	89.70
2.	Mr. Lalit Ghewarchand Karnawat	72,250	4.72
3.	Mrs. Mayuri Karnawat	85,000	5.56
	<b>Total</b>	<b>15,29,600</b>	<b>99.97</b>

**15. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two year prior as on the date of this Draft Prospectus are:**

Not Applicable as our company was incorporated on March 08, 2021.

**16. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior as on the date of this Draft Prospectus are:**

Not Applicable as our company was incorporated on March 08, 2021.

**17. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior as on the date of this Draft Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Hitesh Karnawat	13,72,350	89.70
2.	Mr. Lalit Ghewarchand Karnawat	72,250	4.72
3.	Mrs. Mayuri Karnawat	85,000	5.56
	<b>Total</b>	<b>15,29,600</b>	<b>99.97</b>

**18. Except as disclosed below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Draft Prospectus by our Promoter or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- issue share capital of our Company.**

S. No.	Name of Shareholders	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Mr. Hitesh Karnawat	June 01, 2021	Promoter & Managing Director	20,000	--	Preferential Issue *
2.	Mr. Hitesh Karnawat	July 15, 2021	Promoter & Managing Director	55,400	--	Subscribed
3.	Mr. Hitesh Karnawat	July 30, 2021	Promoter & Managing Director	77,100	--	Subscribed
4.	Mr. Hitesh Karnawat	July 31, 2021	Promoter & Managing Director	12,11,250	--	Bonus Issue
5.	Mr. Lalit Ghewarchand Karnawat	July 31, 2021	Promoter Group & Whole-time Director	63,750	--	Bonus Issue
6.	Mrs. Mayuri Karnawat	July 31, 2021	Promoter Group & Whole-time Director	75,000	--	Bonus Issue

\*Issue of 20,000 Equity Shares has been issued in lieu of consideration of entire business acquisition of M/s Handicrafts Village, Proprietorship of our Promoter, Mr. Hitesh Karnawat.

**19. None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:**

Name	Designation	No. of Equity Shares held
Mr. Hitesh Karnawat	Chairman cum Managing Director	13,72,350
Mr. Lalit Ghewarchand Karnawat	Whole-Time Director	72,250



Mrs. Mayuri Karnawat	Whole-Time Director & Chief Financial Officer	85,000
----------------------	---	--------

20. None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.
21. Neither, we nor our Promoter, Directors and the Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
22. As on the date of filing of the Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoter or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.
23. As on the date of the Draft Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
24. Our Company has not raised any bridge loan against the proceeds of the Issue.
25. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
26. As on the date of the Draft Prospectus, none of the shares held by our Promoter / Promoter Group are subject to any pledge.
27. The Lead Manager i.e. Beeline Broking Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of the Draft Prospectus.
28. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.
29. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments
30. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
31. An over-subscription to the extent of 2% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 2% of the Net Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
32. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
33. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
34. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
35. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
36. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

- 37.** Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
- 38.** As on the date of the Draft Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
- 39.** There are no Equity Shares against which depository receipts have been issued.
- 40.** Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Draft Prospectus.
- 41.** We have 7 (Seven) Shareholders as on the date of filing of the Draft Prospectus.
- 42.** There are no safety net arrangements for this Public Issue.
- 43.** Our Promoter and Promoter Group will not participate in this Issue.
- 44.** This Issue is being made through Fixed Price method.
- 45.** Except as disclosed in the Draft Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Draft Prospectus.
- 46.** No person connected with the Issue shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
- 47.** We shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter Group, if any, between the date of registering the Draft Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## CHAPTER VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue includes a public Issue of upto 5,60,000 Equity Shares of our Company at an Issue Price of [●] per Equity Share.

#### **The Fresh Issue**

The Net Proceeds from the Fresh Issue will be utilized towards the following objects:

1. Working Capital Requirement
2. General Corporate Purpose
3. To Meet the Issue Expenses

*(Collectively referred as the “objects”)*

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

The main objects clause of our Memorandum of Association (MOA) enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association (MOA).

#### **Requirement of Funds:** -

The following table summarizes the requirement of funds:

S. No	Particulars	Amt. (₹ in Lacs)	% of Total Issue Size
1.	Working Capital Requirement	[●]	[●]
2.	General Corporate Expenses	[●]	[●]
3.	Public Issue Expenses	[●]	[●]
<b>Gross Issue Proceeds</b>		[●]	[●]
<b>Less: Issue Expenses</b>		[●]	
<b>Net Issue Proceeds</b>		[●]	

**Utilization of Net Issue Proceeds:** The Net Issue Proceeds will be utilized for following purpose:

S. No	Particulars	Amt. (₹ in Lacs)
1.	Working Capital Requirement	[●]
2.	General Corporate Expenses	[●]
	<b>Total</b>	[●]

**Means of Finance:** -We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt. (₹ in Lacs)
Net Issue Proceeds	[●]
<b>Total</b>	[●]

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

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 20 of the Draft Prospectus.

#### Details of Use of Issue Proceeds:

##### 1. Working Capital Requirement:

Our Company is in business of processing of semi-finished goods into finished products, manufacturing through job work and trading of that products. The Business of the Company is working capital intensive; hence it will meet the requirement to the extent of Rs. [●] Lacs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirements of the business.

Details of Estimation of Working Capital requirement are as follows:

S. No.	Particulars	Actual (Restated)	Provisional
		31-July 21	31-March-22
I	<b>Current Assets</b>		
	Trade receivables	17.99	[●]
	Inventories	12.70	[●]
	Cash and cash equivalents	148.73	[●]
	Short term loan & Advances	4.79	[●]
	Other Current Assets	4.11	[●]
	<b>Total(A)</b>	<b>188.33</b>	[●]
II	<b>Current Liabilities</b>		[●]
	Trade payables	14.58	[●]
	Short Term Provisions	0.69	[●]
	Other Current Liabilities	1.32	[●]
	<b>Total (B)</b>	<b>16.59</b>	[●]
III	<b>Total Working Capital Gap (A-B)</b>	<b>171.74</b>	[●]
IV	Funding Pattern		[●]
	Short term borrowing & Internal Accruals	<b>171.74</b>	[●]
	<b>IPO Proceeds</b>		[●]

#### **Justification:**

S. No.	Particulars
<b>Debtors</b>	We expect Debtors holding days to be at [●] Days approx. for FY 2021-22 based on increased sales of Products and better credit Management policies ensuring timely recovery of dues.
<b>Creditors</b>	We expect Creditors Payments days to be at [●] Days for F.Y. 2021-22

<b>Inventories</b>	We expects Inventory levels to maintain [●] Days approx. for FY 2021-22 due to their trading cycle, increase in sales and maintaining required level of Inventory.
--------------------	--

## 2. General Corporate Purposes:

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating [●] Lacs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

## 3. Public Issue Expenses:

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately [●] Lacs which is [●] of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows:

Activity	Rs. In Lacs
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, etc*	[●]
Printing and Stationery and postage expenses	[●]
Advertising and Marketing expenses	[●]
Statutory expenses	[●]
<b>Total Estimated Issue Expenses</b>	[●]

*Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:*

*Portion for RIIs 0.01% or ₹100/- whichever is less ^ (exclusive of GST)*

*Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)*

*^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Offer Price).*

*The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.*

*Registered Brokers, will be entitled to a commission of ` 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.*

*SCSBs would be entitled to a processing fee of ₹10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.*

## Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2021-22
1.	Working Capital Requirement	[●]
2.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

### **Funds Deployed and Source of Funds Deployed:**

Our Statutory Auditors M/s. A Y & Co., Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)*
Issue Expenses	[●]
<b>Total</b>	[●]

\* Amount inclusive of applicable taxes.

### **Sources of Financing for the Funds Deployed:**

Our Statutory Auditors M/s. A Y & Co., Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (Rs. in Lakh)*
Internal Accruals	[●]
<b>Total</b>	[●]

\* Amount inclusive of applicable taxes.

### **Appraisal**

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of this Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

As the size of the Issue will not exceed ₹10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 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 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 of funds utilized will be certified by the Statutory Auditors of our Company.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

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

### **Variation in Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the



Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would 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**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

## BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Business Overview” and its financial statements under the section titled “Financial Information of our Company” beginning on page 20, page 81 and page 121 respectively of this Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is Rs. 10 and Issue Price is [●] which is [●] times of the face value.

### QUALITATIVE FACTORS

- Leveraging our Market skills and Relationships
- Improving functional efficiencies
- Enhance customer base by entering new geographies to establish long-term relationships
- To build-up a professional organization
- Expand geographical reach

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Business Overview” beginning on page 81 of this Draft Prospectus.

### QUANTITATIVE FACTORS

Information presented below is derived from our Company’s Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic & Diluted Earnings per share (EPS), as restated:

S. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2020-21	--	--
	<b>Weighted Average</b>	--	--
	<b>For the Period Ended on July 31, 2021</b>	<b>0.14</b>	

Notes:

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

#### 2. Price Earning (P/E) Ratio in relation to the Offer Price of [●] per share:

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2020-21	[●]
2	P/E ratio based on the Weighted Average EPS	[●]

#### 3. Return on Net worth (RoNW)

S. No	Period	RONW (%)	Weights
1.	FY 2020-21	--	--
	<b>Weighted Average</b>	--	--
	<b>For the Period Ended on July 31, 2021</b>	<b>1.19%</b>	

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

Sr. No.	As at	NAV (₹)
1.	March 31, 2021	10.00
2.	July 31, 2021	10.75
3.	NAV after Issue	[●]
	<b>Issue Price</b>	[●]

#### 5. Comparison of Accounting Ratios with Industry Peers

Currently we are mainly engaged in business of processing and finishing of semi-finished and manufacturing through job work of furniture & handicrafts items and there is no listed peer group company which are strictly comparable to us with respect to the industry and business segment in which we operate and the size of our company.

- The face value of our shares is ₹10.00 per share and the Issue Price is of [●] per share which is [●] times of the face value.
- The Issue Price has been determine by our Company in consultation with the Lead Manager and justified by our Company in consultation with the Lead Manager on the basis of above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.,

Investors should read the above mentioned information along with section titled “Business Overview”, “Risk Factors” and “Financial Information of our Company” beginning on page 81, 20 and 121 respectively including important profitability and return ratios, as set out in chapter titled “Other Financial Information” on page 144 of this Draft Prospectus to have a more informed view

## STATEMENT OF SPECIAL TAX BENEFITS

To,

**The Board of Directors,**  
Shashwat Furnishing Solutions Limited  
21, Mahaveer Nagar, Jain Colony,  
Jodhpur-342001, Rajasthan India

Dear Sir,

**Subject - Statement of possible tax benefits (“the statement”) available to Shashwat Furnishing Solutions Limited (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.**

### **Reference - Initial Public Offer of Equity Shares by Shashwat Furnishing Solutions Limited**

1. We hereby confirm that the enclosed Annexure 1 and 2 (together “the Annexures”), prepared by Shashwat Furnishing Solutions Limited (“the Company”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2021, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2021, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India (together, the” Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
3. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
5. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
6. 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.

7. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For M/s A Y & Company,  
Chartered Accountants  
FRN: 020829C**

**CA Priyanka Gianchandani  
Partner  
M. No. 445912  
UDIN: 21445912AAAAAJ4653**

**Place: Jodhpur  
Date: 16.09.2021**

## **ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act presently in force 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 a 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**

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

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

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

#### **Note:**

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.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the DRHP/Prospectus



## ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the GST Act presently in force 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 a 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**

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

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

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

#### **Note:**

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 indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the DRHP/Prospectus.

## SECTION VIII – ABOUT THE COMPANY

### OUR INDUSTRY

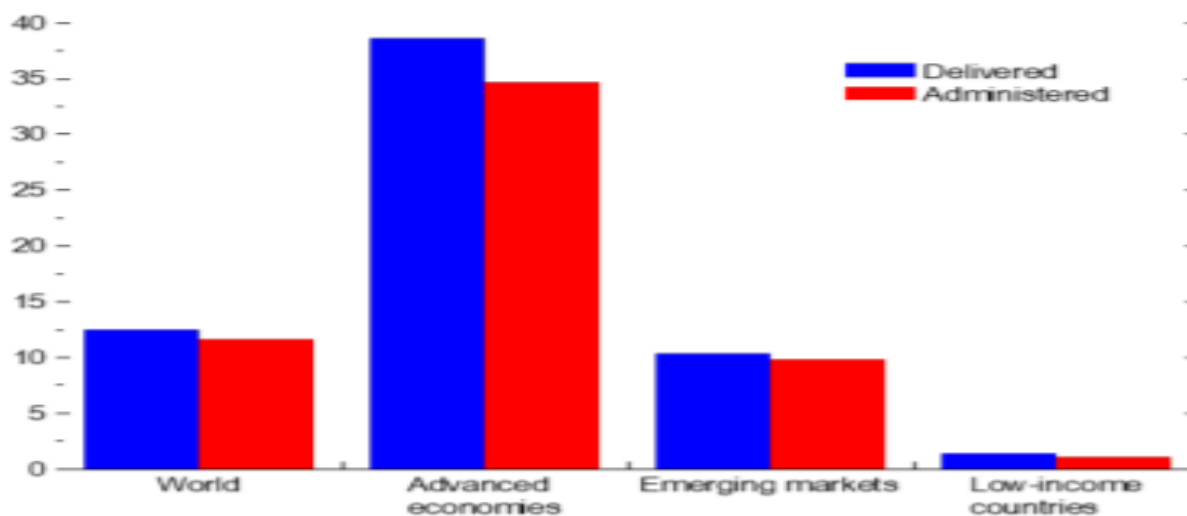
*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL OUTLOOK

The pandemic has taken a turn for the worse in some parts of the world since the release of the April 2021 WEO. Meanwhile, a speedy vaccine rollout has helped bring down caseloads quickly in other regions. Economies are diverging even further, influenced by differences in the pace of vaccine rollout and policy support. However, smooth and durable recoveries are not assured even in places where infections are seemingly under control.

**Vaccines:** Close to 40 percent of the population in advanced economies has been fully vaccinated, compared with less than half that number in emerging market economies and a tiny fraction in low-income countries. Vaccine access is the principal fault line along which the global recovery splits into two blocs: those that can look forward to further normalization of activity later this year (almost all advanced economies) and those that will still contend with prospects of resurgent infections and rising COVID death tolls. Sub-Saharan Africa is now in the grip of a third wave, parts of Latin America continue to see high levels of new deaths, and concerns still remain about the situation in parts of South and Southeast Asia.

**Figure 1. Vaccine Courses**  
(Percent of population)



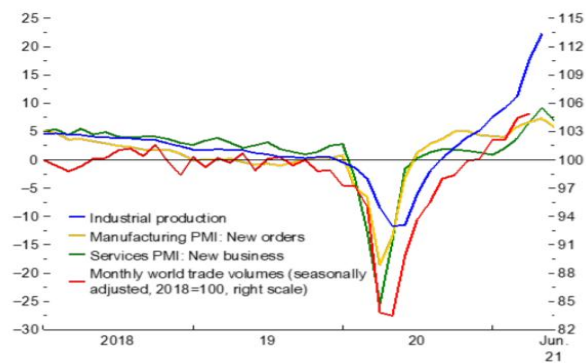
**Policy support:** Further fueling the divergence is the continued impact of sizable fiscal support in the United States and new measures in other advanced economies (including France, Germany, Italy, Korea, and the United Kingdom; see the Fiscal Monitor Database of Country Fiscal Measures in Response to the COVID-19 Pandemic). Many emerging market and developing economies on the other hand are looking to rebuild fiscal buffers. Some, including Brazil, Hungary, Mexico, Russia, and Turkey, have also begun normalizing monetary policy to head off upward price pressures.

**A patchy recovery shaped by new variants, aftershocks, and supply-demand mismatches:** First-quarter GDP outturns overall surprised on the upside, notably in Asia and Latin America, while renewed lockdowns in Europe led to downside surprises. High-frequency data in the second quarter indicate the recovery is widening beyond manufacturing to services, especially in economies where infections are under better control.

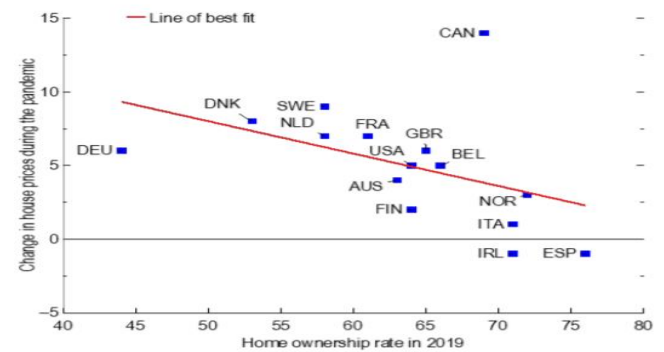
**New variants:** Steady recovery is not assured anywhere so long as segments of the population remain susceptible to the virus and its mutations. Recovery has been set back severely in countries that experienced renewed waves— notably India. The United Kingdom has had to delay the final step of its economic reopening because of the spread of the delta variant, even as the vaccine rollout had helped bring down hospitalizations. China’s Guangdong province imposed mobility restrictions in May following an outbreak after months of minimal new infections. Similarly, Australia reintroduced targeted lockdowns in June.

**Aftershocks:** The unprecedented convulsion in the global economy last year continues to trigger aftershocks that weigh on the recovery in some parts of the world. Empty shipping containers have been stranded in less-frequented ports alongside shortages on busier routes, contributing to increased delivery times for inputs reported in purchasing managers’ surveys

**Figure 2. Global Activity Indicators**  
(Three-month moving average, annualized percent change; deviations from 50 for PMIs, unless noted otherwise)



**Figure 3. House Price Acceleration and Pre-Pandemic Home Ownership Rates**  
(Percent)



**Supply-demand mismatches:** These likely transitory shortages have occurred amid shifting spending patterns, for instance toward housing and work-from-home electronics. Consistent with pandemic-induced rising demand for owner-occupied housing (possibly supported in some cases by generally low mortgage rates), house prices have risen more in places with lower pre-pandemic home ownership rates. These shifting spending patterns and supply disruptions have generated shortages of components, such as microchips, creating bottlenecks for example in the automotive sector.

**Inflation pressure:** The current spikes in annual inflation in part are the result of mechanical base effects from last year’s low commodity prices. Moreover, prices have increased because of the likely transient supply-demand mismatches discussed above— container freight indices for example have risen significantly since mid-2020.

Amid these challenges, financial conditions have remained generally supportive. Financial market sentiment has remained positive on balance given the expected global recovery (see Box 1). The overall picture from the most recent WEO has not changed materially despite a recent bout of volatility: buoyant equity markets, tight credit spreads, and healthy flows into emerging market hard currency funds. This constellation of asset prices continues to provide a generally positive lift to the baseline global outlook.

**Divergent Recoveries Expected to Continue into 2022**

The baseline forecast reflects the influences of the forces discussed earlier and rests on the following key assumptions:

**Vaccines, therapies, and the pandemic:** Local transmission of the virus is expected to be brought to low levels everywhere by the end of 2022 through a combination of better-targeted precautions and improved access to vaccines and therapies. Advanced economies are generally on track to achieve broad vaccine availability by summer 2021. Some emerging markets are assumed to get to that point later this year. Most countries are assumed to gain broad access by the end of 2022. Some countries will get to low levels of local transmission sooner than others depending on country-specific circumstances. The baseline nonetheless assumes the possibility of additional waves before vaccines are widely available.

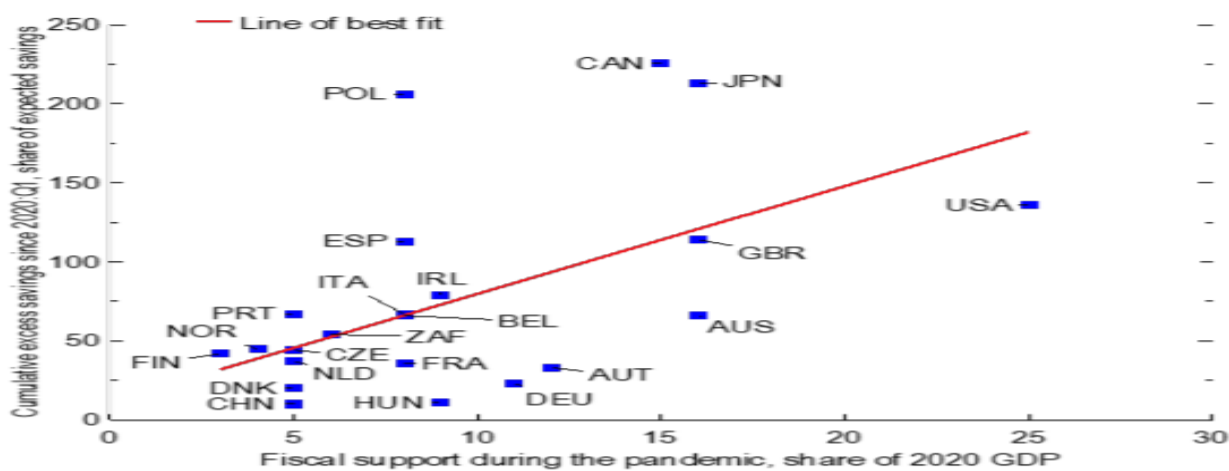
**Fiscal policy:** The forecast assumes additional fiscal support in the United States in line with the overall cumulative size of the current administration’s proposed American Jobs Plan and American Families Plan. The baseline also incorporates expected Next Generation EU grants and loans into the forecasts for those economies. As noted in Box 2, fiscal deficits in most emerging markets are projected to decline in 2021.

**Monetary policy:** Major central banks are assumed to leave policy rates unchanged throughout the forecast horizon (end of 2022). Some emerging market central banks have begun reducing support, and more are expected to follow suit later in 2021.

**Rising commodity prices:** Commodity prices are expected to increase at a significantly faster pace than assumed in the April 2021 WEO. Amid the strengthening global recovery, oil prices are expected to rise close to 60 percent above their low base in 2020. Non-oil commodity prices are expected to rise close to 30 percent above 2020 levels, reflecting particularly strong increases in the price of metals and food.

**Handoff to private activity:** The buildup of excess household savings over the past five quarters of subdued contact-intensive activity and travel is a key aspect of the unprecedented downturn and rebound. As seen in Figure 4, savings tended to accumulate more in countries with larger above-the-line fiscal support to households, which buffered disposable incomes. As economies reopen, private spending is expected to pick up, financed in part by these savings. The speed at which these savings are drawn down will influence the pace of the recovery and inflation pressure. The forecast assumes a smooth handoff from extraordinary policy support to private-activity-led growth, with a gradual drawdown of excess savings. IMF staff analysis suggests a more substantial accumulation of savings in places with relatively lower pre-pandemic household saving rates, indicating some reversion to the mean and the rebuilding of household net worth, which would weigh on the immediate spending impulse.

**Figure 4. Household Savings and Government Support during the Pandemic (Percent)**



**Global growth:** The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022 (Table 1). Although the 2021 forecast is unchanged from April, there are offsetting revisions across advanced economies and emerging market and developing economies reflecting differences in pandemic developments and policy shifts. The 0.5 percentage point upward revision for 2022 largely reflects anticipated additional fiscal support in the United States, with associated spillovers to the global economy.

**Advanced economies:** Growth prospects have been revised up for 2021–22 from expected further normalization in the second half of 2021 as vaccine rollout proceeds and with additional fiscal support. The significantly improved outlook for the US economy derives from the impact of anticipated legislation boosting infrastructure investment and strengthening the social safety net in the second half of 2021. The additional support is expected to lift 2021 US GDP growth by 0.3 percentage point and 2022 growth by 1.1 percentage points, with positive spillovers to trading partners. This shift is partially offset by the forecast downgrade in 2021 for Japan, reflecting tighter restrictions in the first half of the year as caseloads picked up. Japan is anticipated to see a stronger rebound in the second half of 2021, as vaccination proceeds and the economy fully reopens, improving its growth forecast for 2022. Similar strengthening momentum is expected in France, Germany, Italy, and Spain later this year, carrying over into 2022.

**Emerging market and developing economies:** The forecast for the group is revised down 0.4 percentage point in 2021 compared with the April WEO, largely because of growth markdowns for emerging Asian economies. Growth prospects in India have been downgraded following the severe second COVID wave during March–May and expected slow recovery in confidence from that setback. Similar dynamics are at work in the ASEAN-5 group (Indonesia, Malaysia, Philippines, Thailand, Vietnam), where recent infection waves are causing a drag on activity. Meanwhile, China’s 2021 forecast is revised down 0.3 percentage point on a scaling back of public investment and overall fiscal support. Growth forecasts for other regions have generally been revised up for 2021, largely reflecting the stronger-than anticipated outturns in the first quarter. The forecast upgrade for Latin America and the Caribbean results mostly from upward revisions in Brazil and Mexico, reflecting better-than expected first quarter outturns, favorable spillovers to Mexico from the improved outlook for the United States, and booming terms of trade in Brazil. Projections are revised up for the Middle East and Central Asia due to robust activity in some countries (such as Morocco and Pakistan), partially offset by downgrades of some others. In Saudi Arabia, the non-oil growth projection has been revised up, but the overall GDP forecast has

been downgraded relative to the April WEO on account of subdued oil production below the OPEC+ (Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters) quota earlier in the year. The 2021 forecast for sub-Saharan Africa is unchanged relative to the April WEO, with an upgrade for South Africa following a strong positive surprise in the first quarter offset by downward revisions in other countries. The worsening pandemic developments in sub-Saharan Africa are expected to weigh on the region's recovery.

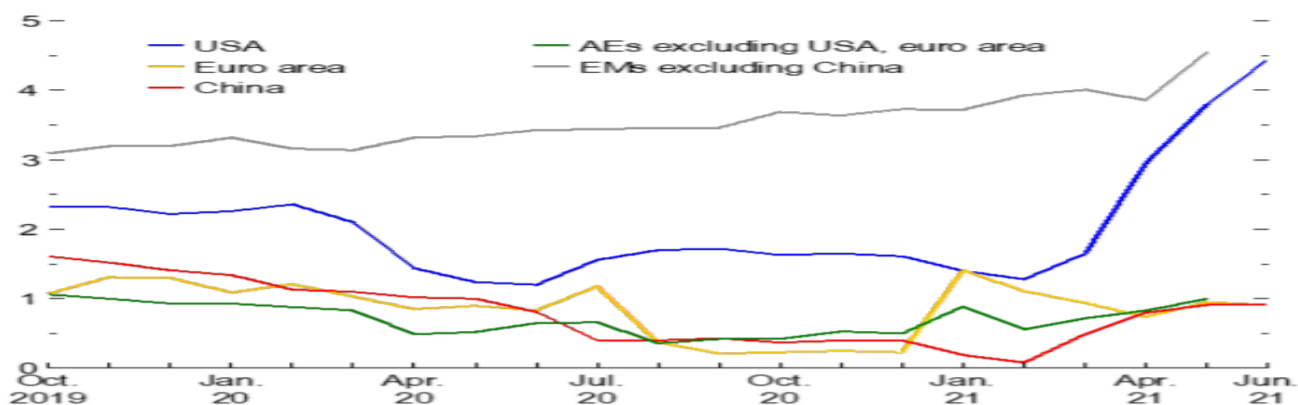
The 2021 growth forecast for the low-income developing country group is marked down 0.4 percentage point, with the slow rollout of vaccines as the main factor weighing on the recovery (partially offset by stronger external demand from advanced economies). IMF staff analysis indicates that low-income developing countries will require close to \$200 billion in spending to combat the pandemic and an additional \$250 billion to regain their pre-pandemic convergence paths (see the IMF's Macroeconomic Developments and Prospects in Low-Income Countries—2021). Labor market prospects for low-skilled workers and youth continue to be relatively bleak compared with those for other demographic groups, which points to increasing inequality and higher vulnerability to a decline in incomes below extreme poverty thresholds. Close to 80 million additional people are likely to enter extreme poverty during 2020–21 compared with pre-pandemic projections

Global trade: Despite near-term supply disruptions, global trade volumes are projected to expand 9.7 percent in 2021, moderating to 7.0 percent in 2022. The merchandise trade recovery is set to broaden after being initially concentrated in pandemic-related purchases, consumer durables, and medical equipment. Services trade is expected to recover more slowly, consistent with subdued cross-border travel until virus transmission declines to low levels everywhere.

#### Recent Price Pressures Could Turn Persistent if Inflation Expectations Increase

Elevated inflation in some cases, but pressures contained for the most part so far: In some emerging market and developing economies in sub-Saharan Africa and the Middle East and Central Asia, food prices have increased significantly amid shortages and the rise in global food prices. Currency depreciation has also lifted prices of imported goods, further adding to overall inflation. Core inflation—which removes the influences of energy and food prices—however remains contained for the most part. The recent acceleration in core inflation in the United States (accounted for mostly by increases in prices of used cars, lumber, and air travel) also largely reflects pandemic-related disruptions rather than a rapid exhaustion of spare capacity. One-off level shifters, such as the expiration of last year's temporary value-added tax cut in Germany and the increase in the shelter component of US consumer prices as rent and mortgage moratoriums expire, have also increased inflation temporarily.

**Figure 5. Core Inflation**  
(Annual percent change)



Wage growth broadly stable so far: Despite a recent uptick in wage growth in the United States, wages of individuals—observed 12 months apart in the Atlanta Federal Reserve's Wage Growth Tracker—do not indicate broader pressure in the labor market. Data from Canada, Spain, and the United Kingdom show similar patterns of broadly stable wage growth this year.

Inflation outlook: In most cases inflation should subside to its pre-pandemic ranges in 2022 once the transitory disturbances work their way through prices. This judgment rests on three pillars: even with diminished participation rates, labor market slack remains substantial (albeit with reported shortages and hiring difficulties in sectors such as hospitality and travel); inflation expectations are well anchored; and structural factors that have lowered the sensitivity of prices to changes in slack are still expected to operate as before (some have possibly intensified—for example, automation). However, inflation is expected to remain elevated into 2022 in some emerging market and developing economies, related in part to continued food price pressures and lagged passthrough from higher oil prices for importers.



A key question for the outlook is how inflation expectations will evolve in this context. Many factors are at work in this uncharted recovery from an unprecedented recession, including accelerating demand running up against temporary supply shortages and logistical bottlenecks; rising commodity prices; still-substantial fiscal support and accommodative monetary policy; and excess household savings that will likely be drawn down going forward with reopening. Amid fears that these transitory pressures turn more persistent, the combination of these factors could cause an increase in medium-term inflation expectations (which for now appear to be anchored near central bank targets across most economies). Clear central bank communications on their interpretation of inflation drivers and on the monetary policy outlook will continue to be critical to shaping these expectations.

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021>)

## **INDIAN ECONOMY OVERVIEW**

### **Introduction**

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.

### **Market size**

India's real gross domestic product (GDP) at current prices stood at Rs. 195.86 lakh crore (US\$ 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

India's foreign exchange reserves stood at US\$ 582.04 billion, as of March 12, 2021, according to data from RBI.

### **Recent Developments**

With an improvement in the economic scenario, there have been investments across various sectors of the economy. In 2020, the total deal value in India stood at ~US\$ 80 billion across 1,268 transactions. Of this, M&A activity contributed ~50% to the total transaction value. Private Equity - Venture Capital (PE-VC) sector recorded investments worth US\$ 47.6 billion across 921 deals in 2020. Some of the important recent developments in Indian economy are as follows:

- India's overall exports from April 2020 to February 2021 were estimated at US\$ 439.64 billion, (a 10.14% decrease over the same period last year). Overall imports from April 2020 to February 2021 were estimated at US\$ 447.44 billion (a 20.83% decrease over the same period last year).
- According to IHS Markit, Purchasing Managers' Index (PMI) for manufacturing stood at 57.5 in February 2021.
- Gross tax revenue stood at Rs. 113,143 crore (US\$ 15.58 billion) in February 2021, up from Rs. 105,361 crore (US\$ 14.51 billion).
- Cumulative FDI equity inflows in India stood at US\$ 749.39 billion between April 2000 and December 2020.
- India's Index of Industrial Production (IIP) for January 2021 stood at 135.2, against 136.6 for December 2020.
- Consumer Food Price Index (CFPI) – combined inflation was 3.87% in February 2021, against 1.96% in January 2021.
- Consumer Price Index (CPI) – combined inflation was 5.03% in February 2021, against 4.06% in January 2021.

### **Government Initiatives**

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term and long-term measures.

In the Union Budget 2021-22, capital expenditure for FY22 is likely to increase to increase by 34.5% at Rs. 5.5 lakh crore (US\$ 75.81 billion) over FY21 (BE) to boost the economy.



Increased government expenditure is expected to attract private investments, with production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded and measured policy support is anticipated to boost the Indian economy. In March 2021, the Ministry of Electronics and IT (MeitY) invited applications for the second round of large-scale electronics manufacturing under the production-linked incentive (PLI) scheme. The window to apply for the scheme has been opened until March 31, 2021, which could be further extended in accordance with guidelines issued by the MeitY.

In March 2021, following the announcement of incentive schemes for mobile and IT hardware manufacturing, the government announced to consider a key scheme for establishing display fabrication units in India. The Ministry of Electronics and Information Technology (MeitY) has requested expressions of interest (EoIs) from organisations interested in establishing LCD/OLED/AMOLED/QLED-based display fabrication units in India.

In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the Government are listed below:

- In March 2021, Flipkart announced plans to expand its grocery services to >70 cities in the next six months. As a result of this planned expansion, customers in seven key cities and >40 neighbouring cities will be able to access high-quality grocery items, deals, fast deliveries and a seamless shopping experience.
- In February 2021, Amazon India announced to start manufacturing of electronics products in India. The company plans to commence its manufacturing efforts with its contract manufacturer, Cloud Network Technology, a subsidiary of Foxconn in Chennai, and start production in 2021.
- In March 2021, India and Kuwait decided to establish a joint ministerial commission to strengthen ties in sectors such as energy, trade, investment, manpower & labour and IT. According to a joint statement, the commission will be focused on developing the best platform to strengthen alliance in areas of energy, trade, economy, investment, human resources, manpower and labour, finance, culture, information technology, health, education, defence and security.
- In March 2021, the parliament approved a bill to increase foreign direct investments (FDIs) in the insurance sector from 49% to 74%. Union Minister for Finance and Corporate Affairs, Ms. Nirmala Sitharaman, who is piloting the Bill, stated that increasing the FDI limit in the insurance sector will support insurers in boosting additional funds and overcoming financial issues.
- In March 2021, the parliament passed the 'National Commission for Allied, Healthcare Professions Bill, 2021'. Union Minister for Health and Family Welfare, Science and Technology and Earth Sciences, Mr. Harsh Vardhan stated that the law aims to meet the sector's long-standing demands and increase professional employment opportunities.
- In March 2020, the Union Cabinet approved the revised cost estimate (RCE) of the comprehensive scheme for strengthening of transmission & distribution in Arunachal Pradesh and Sikkim at an estimated cost of Rs. 9,129.32 crore (US\$ 1.26 billion) to support the economic growth in those by strengthening the intrastate transmission and distribution systems.
- In March 2020, the Union Cabinet approved a memorandum of understanding (MoU) signed between the Ministry of Agriculture and Farmers' Welfare and the Ministry of Agriculture of the Republic of Fiji to strengthen bilateral ties and collaborate in the area of agricultural and allied sectors.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

## Road Ahead

India recorded the real GDP (gross domestic product) growth of 0.4% in the third quarter of FY21, as per the NSO's (National Statistical Office) second advance estimates. This rise indicates V-shaped recovery progression that started in the second quarter of FY21.

As per Economic Survey 2020-21, India's real GDP growth for FY22 is projected at 11%. The January 2021 WEO update forecast a 11.5% increase in FY22 and a 6.8% rise in FY23. According to the IMF, in the next two years, India is also expected to emerge as the fastest-growing economy.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

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

## **Handicraft Industry in India**

### **Introduction**

The handicrafts sector is of importance to the Indian economy as it is one of the largest employment generators and account for a significant share in the country's export. The state and regional clusters contribute significantly to handicrafts export. The Indian handicrafts industry is fragmented with more than seven million regional artisans and over 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets.

### **Indian Handicraft Industry Statistics**

Handicraft export from India of various segments during April 2020 to March 2021 stood as below:

- Woodwares at US\$ 845.51 million
- Embroidered & crocheted goods at US\$ 604.38 million
- Art metal wares at US\$ 468.66 million
- Handprinted textiles and scarves at US\$ 339.03 million
- Imitation jewellery at US\$ 186.65 million
- Miscellaneous handicrafts at US\$ 826.68 million

Indian handicrafts are exported across geographies, with the top 10 destinations being the US, the UK, the UAE, Germany, France, Latin American countries (LAC), Italy, the Netherlands, Canada and Australia.

### **Recent Developments**

Government of India increased incentive rates under the merchandise export from India scheme (MEIS) to 7% from 5% for handicraft items which will help exporters to recover the input costs involved in the production of handicrafts and will lead to competitive pricing and boost export.

In the month of September 2020, fund of Rs 2.8 crore was approved for the integrated project for development and promotion of handicrafts of Varanasi by the Ministry of Textiles to overcome the COVID-19 crisis faced by the artisans.

To support the local artisans and weavers ahead of the festive season, Amazon.in has announced Handicrafts Mela from September 26, 2020 to October 10, 2020, which will help over 8 lakhs artisans and weavers in the countries.

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

## **Furniture Industry in India**

The India furniture market by commercial sector is anticipated to achieve a CAGR of 11.97% during the forecast period i.e. 2018-2023. The commercial sector is further sub-segmented into non contracting and contracting. The demand for furniture has been observed to majorly generate from northern and southern India. India is the fifth largest furniture producer at a global level and the fourth largest consumer of furniture. India is also cost competitive in cotton fabric (textiles). The total rental furniture and appliances market in India reached INR 33,500 crores during FY21.

The market is expected to garner \$61.09 bn by the end of 2023. Further, the Indian furniture market is anticipated to achieve a Y-o-Y growth rate of 14.30% in 2023 as compared to the previous year. The domestic Indian furniture market is anticipated to grow at a CAGR of 13% in the next four years and 11.97% during the forecast period i.e. 2018-2023.

The demand of furniture has been observed to majorly generate from northern and southern India. Other factors contributing to the growth of the furniture market in India are:

- There will be a 2.5x Increase in income per capita from 2016 to 2027
- The rate of growth of wages is significantly lower and the rate of growth of productivity is relatively higher compared to other low-cost countries like China, Vietnam and Thailand
- Growing Expenditure: consumption expenditures will rise by a factor of three to reach 4 trillion by 2025
- Continued Urbanisation: 40% of India's population will be living in urban areas by 2025 up from 31% in 2010, and will account for more than 60% of consumption.
- Changing Family Structures: The proportion of nuclear households has reached 70% and is projected to increase to 74% by 2025. They spend 30% more per capita than joint families.

(Source - <https://www.investindia.gov.in/sector/consumer-goods/furniture>)

## **BUSINESS OVERVIEW**

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” 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. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year.*

*You should carefully consider all the information in this Draft Prospectus, including, “Risk Factors”, “Industry Overview”, “Financial Statements of our Company” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 20, 73, 121 and 145, respectively, before making an investment in the Equity Shares. In this section, any reference to the “Company” “we”, “us” or “our” refers to Shashwat Furnishing Solutions Limited.*

### **Overview**

Our company is engaged in processing of semi-finished furniture products into finished products and manufacturing through job work of furniture and handicraft items. Our company specialize in developing a qualitative range of Industrial Furniture and Restaurant and Cafe Furniture, Garden and Outdoor Furniture Vintage Furniture, Mirror Frames, Wall clocks and various other decoration & handicrafts objects. We are instrumental in presenting a wide assortment of exclusively designed products, such as Restaurant Furniture, Cafe Furniture, and Metal Furniture. Our expert professionals are devoted to developing an exclusive product range capable to gain a nationwide appreciation for its remarkable finish, unique designs, trendy colour combinations, flawless detailing, unbreakable quality and higher durability.

Our Company was incorporated as a private limited company under the Companies Act, 2013 and registered with the Registrar of Companies, Central Registration Centre with the name “Shashwat Furnishing Solutions Private Limited” pursuant to a certificate of incorporation dated March 08, 2021. Subsequently, our Company has acquired the entire business with the assets and liabilities of M/s Handicrafts Village, sole proprietorship concern of Promoter Mr. Hitesh Karnawat vide Business Transfer Agreement dated June 01, 2021. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Shashwat Furnishing Solutions Private Limited” to “Shashwat Furnishing Solutions Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on August 12, 2021 and a fresh certificate of incorporation dated August 27, 2021 issued by the Registrar of Companies, Jaipur. The Corporate Identity Number of our Company is U20299RJ2021PLC073899.

Our Company’s proficiency lies in understanding the specific requirement of our customers and based on which we place the order of our products to manufacturer having requisite manufacturing facilities. We source our products from reliable manufacturers of the market. We purchase the order in semi-finished condition and then process the same by finishing, assembling and repairing turning them into finished products. Also we purchase raw material and manufacture through job work from third party. Our company make further sales to wholesalers, retailers and customers through online platforms such as Indiamart, Trade India, Exporter India etc.

Our Promoter Mr. Hitesh Karnawat who has been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning. We have a strong management team with significant industry experience. Our Chairman and Managing Director, Mr. Hitesh Karnawat has 07 years of experience in this industry. The vast experience of the Promoter has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoter and senior management team and their experience in the industry in which our Company operates.

Our Company operates from its registered office situated at 121, Mahaveer Nagar, Jain Colony, Jodhpur- 342001, Rajasthan, India, along with warehouse at Plot No 18-19, Moti Nagar, Sangariya, Khasra Number 184, Jodhpur – 342013, Rajasthan, India and processing unit at G/30 RICCO Industrial Area, Boranada Industrial Park, Phase I Jodhpur - 342012, Rajasthan, India

We are committed to gain a distinguished repute and as an emerging company, our objectives towards differentiation are further strengthened by our rigorous research and analysis activities. We have implemented advanced technology that equips us to design and develop decorative items with various processes. Our products are cherished by the corporate sector and widely utilized for gifting and decorative purpose in the hospitality industry. We owe our rapid growth to the allied support of leading vendors who underpin our vigilant approach to source premium quality products.

## **FINANCIAL SNAPSHOT:-**

Financial Snapshot of our Company as per Restated Standalone Financial Statements is as under: -

(Amount in Lakhs)

Particulars	For the stub period ended July 31, 2021	For the year ended March 31, 2021
Revenue from Operations	11.41	-
Total Revenue	11.41	-
EBITDA	2.95	-
PAT	1.96	-
PAT Margin (in %)	17.18	-

Note:-

1. *EBITDA Margin = (Restated Profit before tax + finance cost + depreciation and amortization expenses)/ Total Revenue*
2. *PAT Margin = PAT/ Total Revenue*

## **OUR STRENGTHS**

We believe the following competitive strengths contribute to our success and position us well for future growth:-

### ➤ ***Experienced Management Team:***

Our management team is experienced in the industry in which we are operating and has been responsible for the growth of our operations and financial performance. Our Promoter Mr. Hitesh Karnawat leads the company with his vision. They are having an adequate experience in the line of the business undertaken by the Company and look after the strategic as well as day to day business operations. The strength and entrepreneurial vision of our Promoter and management have been instrumental in driving our growth and implementing our strategies. We believe that the experience of our management team and it's in depth understanding of the furniture market in the region will enable us to continue to take advantage of both current and future market opportunities.

### ➤ ***Existing Supplier Relationship***

Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. We, being a small and medium size organisation, rely on personal relationships with suppliers. Our company enjoys existing relationship with our suppliers. Further we also leverage the past experience of our management in maintaining effective supplier relationship.

### ➤ ***Scalable Business Model***

We believe that our business model is scalable. Our business model is customer centric, and requires optimum utilization of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets both domestic and international by exploring customer needs and by maintaining the consistent quality output.

### ➤ ***Quality Assurance and Standards***

We believe in providing our customers the best quality products. Our ability to maintain and improve the products we offer to customers enables us to generate stable revenue and minimize customer complaints. We are very particular from usage of right quality of material for production. Our dedicated efforts towards the quality of material have helped us gain a competitive advantage over others. We believe that our quality production has earned us a goodwill from our customers.

## **OUR STRATEGIES**

We envisage long term growth by building long term relations with customers. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing projects with specific emphasis on the following factors as business and growth strategy:

➤ ***Leveraging our Market skills and Relationships***

Our Company believes that our business is a by-product of relationships. This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

➤ ***Improving functional efficiencies***

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

➤ ***Enhance customer base and to establish long-term relationships***

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further our company believes in maintaining long term relationship with our customers in terms of increased sales. We aim to achieve this by value adding value to our customers through innovation, quality assurance and timely delivery of our products.

➤ ***To build-up a professional organization***

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

➤ ***Expand geographical reach***

We intend to expand our presence by identifying markets where we can provide cost-effective and quality products to prospective customers. Further, we seek to capitalize on our existing experience, established contacts with customers and manufactures.

**OUR LOCATION:**

<b>Registered Office</b>	121, Mahaveer Nagar, Jain Colony, Jodhpur- 342001, Rajasthan, India.
<b>Warehouse</b>	Plot No 18-19, Moti Nagar, Sangariya, Khasra Number 184, Jodhpur – 342013, Rajasthan, India
<b>Processing unit</b>	G/30 RICCO Industrial Area, Boranada Industrial Park, Phase I Jodhpur - 342012, Rajasthan, India



**OUR PRODUCTS:**

Our company deals in various furniture products which are mentioned below:

Restaurant and Cafe Furniture –  
includes Chairs, Dining Set, Dining  
table, Stools and Canteen Furniture



Bar Furniture



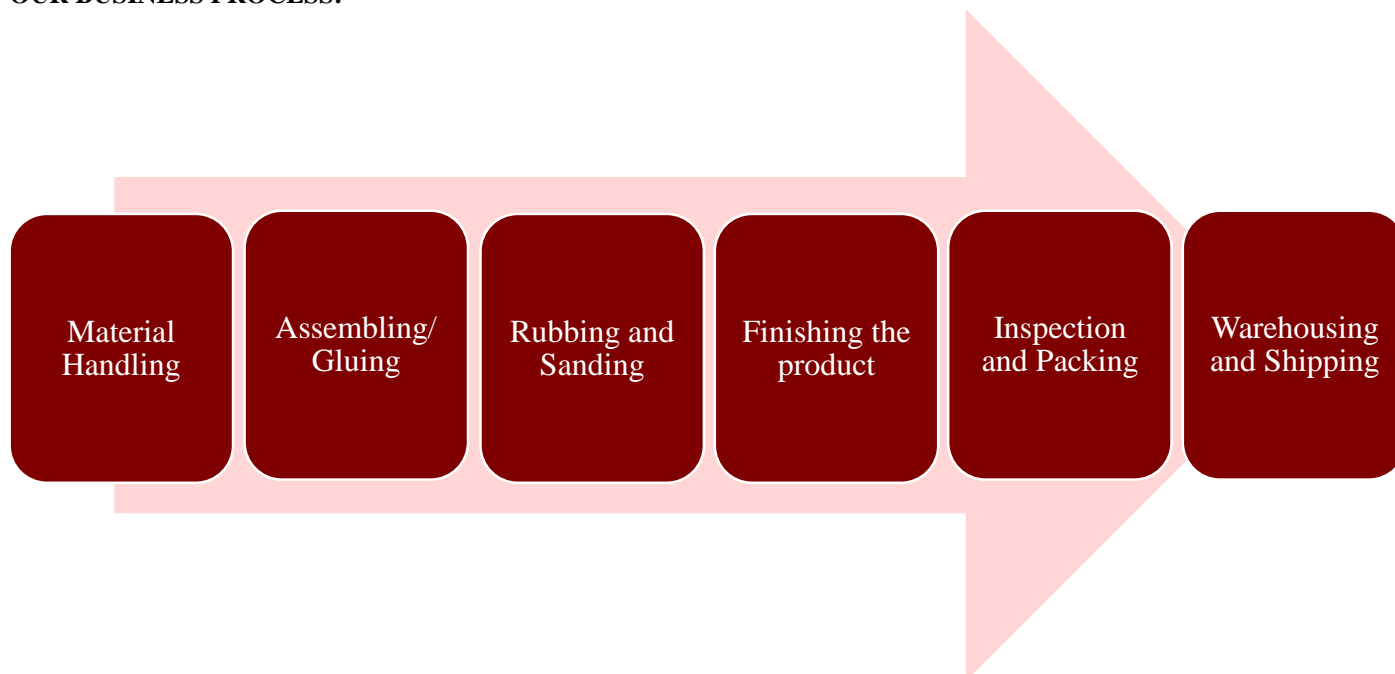
Garden & Outdoor Furniture







**OUR BUSINESS PROCESS:**



**1. Material Handling:**

The first step in our business process is material handling i.e., procurement of semi-finished products from manufacturers. We source our products from reliable manufacturers of the market. Material Handling is loading, moving and unloading of semi-finished goods from one place to another. Two aspects are important in material handling which are safety and cost. We purchase semi-finished materials from our manufacturers depending upon the customer’s requirement and their needs.

**2. Assembling/ Gluing:**

This is the stage where the work is done through a variety of technique according to its functions & types. Assembly involves the fitting together of semi-finished parts into a complete unit. In our company, component parts are first assembled into a piece of furniture and later finished. The assembly operation is performed to put a piece of furniture together such that it stays together and gives good service over a reasonable period of time.

**3. Rubbing and Sanding:**

Rubbing is the cutting down with sandpaper of the top coat to make it completely level. Sanding is carried out before finishing to remove defects from the wood surface that will affect the appearance and performance of finishes that are subsequently applied to

the wood. These defects include cutter marks and burns, scratches and indentations etc. Sanding should not be used to eliminate larger defects such as gouges and various forms of discoloration. Other techniques are used to remove these defects.

#### 4. Finishing:

The most important feature of the furniture which influences the prospective buyer is its appearance. The purpose of finishing is threefold i.e., Appearance, Smoothness and Protection. There are various methods through which finishing is done like brushing, spraying, pressing, dipping, printing etc. While choosing the desired method, there are several considerations like desired shape & appearance, cost of finishing material & labour etc. There are different types of finishes for wood furniture which are detailed below:

- **Surface Coatings:** These are clear, built-up, highly durable finishes that are virtually maintenance-free. Examples of surface coatings are varnish, shellac and lacquer. Surface coating finishes will add depth and warmth to the appearance of the woodwork, while enhancing the colour and grain.
- **Natural Finishes:** These are clear finishes that are used to add lustre, warmth, and character to the wood while protecting it from wear and tear.
- **Pigmented Finishes:** These are not transparent, and basically resembles paint. Black lacquer is a pigmented finish. Pigmented finishes can also be distressed and/or glazed.
- **Wax Polish:** This is the ultimate rich-looking and labor intensive finish that seals and protects the wood. It is used to rejuvenate and old finish or can be used as a finish itself. Surprising to most, a professionally applied wax finish requires little maintenance. It can also be applied over a penetrating finish, to reduce the amount of maintenance that would typically be required.
- **Staining:** It is used to enhance the true color of the furniture or to achieve uniformity when the wood has an inconsistent appearance. It can also be used to change the natural color of the wood to a color more in keeping with the owner's tastes.
- **Glazing and Toning:** These are techniques used to highlight the details in the woodwork or to unify and add depth to the color. These two techniques can also be used to give "age" to the finish. The process is one of applying transparent pigmented liquid over or between coats of finish.
- **Pickling and Liming:** These are traditional finishing processes used to accentuate the wood grain. The highlighting is achieved by using two contrasting colors: a base color and another color rubbed into the grain.
- **Bleaching:** It is used to lighten the natural color of wood or to remove discoloration caused by moisture. Bleaching can also be used to achieve the base color in preparation for pickling or liming. It is not used to remove stain or dyes.
- **Distressing:** It is a technique that can be used to give age and interest to the finish. This can be done any number of ways, including:
  - a) sanding the finish away from areas that would have been worn over the years
  - b) rubbing the finish away with a chemical
  - c) striking the surface with a mix of objects that will randomly dent the finish.

#### 5. Inspection and Packing:

Furniture inspections reduce risks, improve the quality of the furniture and helps to manage the quantity of semi-finished used to process the finished product. Furniture has to meet the correct quality, safety and durability requirements. A high-quality inspection process ensures the products are checked for against all specifications to ensure that the customer's specific requirements are met. Enabling corrections to be actioned and implemented before completion, reduces the risk of production failure and helps to verify the material and finishing quality and therefore reduces the risk of after-sale services due to production defects.

After inspection, the products are packed for dispatching. We deliver products in packaging that offer the ultimate protection for large, bulky or heavy products. We provide fit-for-purpose, cost efficient and sustainable packaging that combine maximum protection with minimised waste.

## 6. Warehousing and Shipping:

The last step in our process is warehousing and shipping. Once the final product is ready then it is either sent to warehouse or shipped to the customer's address. As our business is engaged in E-commerce also, it is imperative to store the products in warehouse for safe storage until an order is dispatched.

### PLANT & MACHINERY:

Since we are primarily in the business of semi-finished processing, we do not require any major Plant & Machinery for processing semi-finished into finished products.

### CAPACITY AND CAPACITY UTILIZATION:

Our business includes conversion of semi-finished goods into finished products. Hence, capacity and capacity utilization is not applicable to us.

### REVENUE BREAK-UP

Activity wise break-up of our revenue as per Restated Financial Information is as under:

(Amount in Lakhs)

Particulars	For the stub period ended July 31, 2021	For the year ended March 31, 2021
Domestic Sales	11.41	0.00
Other Income	0.00	0.00
<b>Total Revenue</b>	<b>11.41</b>	<b>0.00</b>

### COLLABORATIONS/TIE UPS/ JOINT VENTURES:

As on date of this Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures except as entered into normal course of business for developments rights and construction of Projects.

### EXPORT OBLIGATION:

Our Company does not have any export obligation as on date.

### UTILITIES AND INFRASTRUCTURE FACILITIES: -

#### Infrastructure Facilities:

Our registered office, processing unit and warehouse are well equipped with computer systems, internet connectivity, other communications equipment and other facilities, which are required for our business operations to function smoothly.

#### Power:

The company have adequate power supply position from the public supply utilities.

#### Water:

Water is required for human consumption at our office and adequate water sources are available from municipal water supply. The requirements are fully met at the existing premises. The Requirement of water at our processing unit and warehouse is met by local power supply.

### HUMAN RESOURCES:

We have experienced Promoter and management whom we rely on to anticipate industry trends and capitalize on new business opportunities that may emerge. We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business. Our senior management team consists of experienced individuals with diverse skills in trading, compliance, and finance. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth.

We believe that our employees are the Key contributors to our business success. We focus on training and retaining the employees. We look for best possible talent with specific qualifications, interests, experience and background.

As on date we have 5 employees at the Registered Office including our key managerial persons. Our work processes and skilled resources together with strong management team have enabled us to successfully implement our growth plans. Further we hire labour on contract basis as per requirement in the processing unit and warehouse.

**SALES AND MARKETING: -**

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our promoter, Mr. Hitesh Karnawat, through their vast experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company.

**Marketing Strategy:**

We intend to focus on following marketing strategies:

1. Focus on existing markets and increasing our customer base.
2. Emphasizing on Products with Value Added.
3. Efficient delivery of goods to attain customer satisfaction.

**COMPETITION:**


We face the competition in our business from other existing traders of same products. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the products.

Our industry is highly competitive while being unorganized and fragmented. This market is not governed directly by any regulations or any governmental authority. The players in the informal education market are mostly small and unrecognized. We face competition from both organized and unorganized players in the market and more specifically from different players for different sections to which we offer our Products.

**PROPERTY:**

**Intellectual Property**



Our Company uses the logo as “  ”. However, our Company does not own and registered the logo as on date of this Draft Prospectus

**The Details of Domain Name registered on the name of the Company is: -**

S. No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Creation Date	Registration Expiry Date
1.	Domain Name - Handicraftsvillage.Com Registry Domain Id - 2123486728_DOMAIN_COM-VRSN	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	12-05-2017	12-05-2024

**IMMOVABLE PROPERTY**

Details of our properties are as follows: -

**Properties owned/Leased by the Company**

S. No.	Details of the Property	Licensor/Lessor /Vendor	Owned/ Leased	Consideration/ Lease Rental/ License Fees (in Rs.)	Use
1.	121, Mahaveer Nagar, Jain Colony, Jodhpur- 342001, Rajasthan, India.	Mr. Lalit Ghewarchand Karnawat and Mrs. Sushila Karnawat	Leased	11 Months w.e.f. 18.09.2021 subject to renewal with mutual consent.  Rent: Rs. 7,000/- p.m.	Registered Office
2.	Plot No 18-19, Moti Nagar, Sangariya, Khasra Number 184, Jodhpur – 342013, Rajasthan, India	Mrs. Dipti Choudhary W/o. Jitendra Dhidhariya, R/o. 132, Saraswati Nagar, Basni 1st Phase, Jodhpur, Rajasthan	Leased	11 Months w.e.f. 01.07.2021 subject to renewal with mutual consent.  Rent: Rs. 20,000/- p.m.	Warehouse
3.	G/30 RICCO Industrial Area, Boranada Industrial Park, Phase I Jodhpur - 342012, Rajasthan, India	Mr. Narendra Singh Gehlot S/o Ramchand Gehlot R/o 56, shashtri Nagar, Jodhpur, Rajasthan, India	Leased	11 Months w.e.f. 01.09.2021 subject to renewal with mutual consent.  Rent: Rs. 47,200/- p.m.	Processing unit



## **KEY INDUSTRY REGULATIONS**

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 159 of this Draft Prospectus.*

### **THE COMPANIES ACT**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder. The Companies Act, 1956 is still applicable to the extent not replaced.

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

### **SEBI REGULATIONS:**

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

### **TAX RELATED REGULATIONS**

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

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

#### **Goods and Service Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states.

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

#### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company

requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance

## **OTHER GENERAL REGULATIONS**

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

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

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **The Sale of Goods Act, 1930 (Sale of Goods Act)**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### **RoDTEP Scheme**

The Scheme for Remission of Duties and Taxes on Exported Products (“RoDTEP Scheme”), as approved by the Cabinet Committee on Economic Affairs on March 13, 2020, would act as the successor to the Merchandise Exports from India Scheme. Certain taxes/duties/levies which are outside GST, and are not refunded for exports, such as, VAT on fuel used in transportation, Mandi tax, duty on electricity used during manufacturing etc. would be covered for reimbursement under the RoDTEP Scheme. The rates under the RoDTEP Scheme are yet to be notified.

### **The Foreign Trade (Development & Regulation) Act, 1992**

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

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

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and

Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services. 100 % FDI is permitted in under the automatic route in the IT sector.

## **BUSINESS / TRADE RELATED LAWS / REGULATIONS**

### **The Public Liability Insurance Act, 1991 ("PLI Act")**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandates the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

### **Plastic Waste Management (PWM) Rules, 2016**

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

### **The Bureau of Indian Standards Act, 1986**

The Bureau of Indian Standards Act, 1986 ("BIS Act") was established to provide for the establishment of a bureau ("Bureau") for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith. "Indian Standard" means the standard (including any tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

### **The Information Technology (Amendment) Act, 2008 (IT Act)**

The Information Technology Act, 2000 (also known as "ITA-2000", or the "IT Act") is an Act of the Indian Parliament (No 21 of 2000) notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. The Act provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce", which involve the use of alternatives to paper-based methods of communication and storage of information, to facilitate electronic filing of documents with the Government agencies and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the Bankers' Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto. A major amendment was made in 2008 introducing Sections 66A and 69 giving wide powers to the government authorities.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

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

### **The Industrial Relations Code, 2020**

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **The Code on Social Security, 2020**

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

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

### **The Factories Act, 1948 (“Factories Act”)**

The term ‘factory’, as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the ‘occupier’ of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

### **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive 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, 2002. The provisions of the Competition Act relating to combinations were notified 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.

### **Negotiable Instruments Act, 1881 (“NI Act”)**

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 cheque not being honored by their bankers and returned unpaid.

### **Consumer Protection Act, 2019**

Few of the provisions of The Consumer Protection Act, 2019 (“COPRA”) have been notified vide notification No. S.O. 2421(E), dated 23rd July 2020 thus repealing the respective provisions of Consumer Protection Act, 1986. However the provisions of Consumer Protection Act, 1986, are still valid to the extent COPRA being not notified. The Consumer Protection Act provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA has brought e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA also provides for mediation cells for early settlement of the disputes between the parties.

## **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

## **LAWS RELATED TO ENVIRONMENTAL LAWS**

### **National Environmental Policy, 2006**

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.

### **Environment (Protection) Act, 1986 as amended ("EPA")**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

## **LAWS RELATED TO THE STATE:**

### **Shops and Establishments Laws in Various States**

As per the provisions of local Shops and Establishments laws applicable in the state of Rajasthan establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **Rajasthan Shops and Commercial Establishments Act, 1958**

The Rajasthan Shops and Commercial Establishments Act, 1958 was enacted by the Rajasthan State Legislature in the Ninth Year of the Republic of India to regulate the condition of work and employment in shops and commercial establishment. The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner.

### **Approvals from Local Authorities**

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

### **The Arbitration and Conciliation Act, 1996**

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law



relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimize the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to se mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **Copyright Act, 1957 (“Copyright Act”)**

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

### **Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

### **The Designs Act, 2000 (Designs Act)**

The objective of Designs Act it to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

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

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

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

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

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day

of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)
- Public Liability Insurance Act, 1991 (“PLI Act”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015.

**Other regulations:**

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.



## **HISTORY AND CORPORATE STRUCTURE**

### **Brief History and Background**

Our Company was originally incorporated on March 08, 2021 as “Shashwat Furnishing Solutions Private Limited” vide Registration No. 073899/2020-21 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, our Company has acquired the entire business with the assets and liabilities of M/s Handicrafts Village, sole proprietorship concern of our Promoter Mr. Hitesh Karnawat vide Business Transfer Agreement dated June 01, 2021. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Shashwat Furnishing Solutions Private Limited” to “Shashwat Furnishing Solutions Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on August 12, 2021. and a fresh certificate of incorporation dated August 27, 2021 issued by the Registrar of Companies, Jaipur. The Corporate Identity Number of our Company is U20299RJ2021PLC073899.

As on date of this Draft Prospectus, our Company has Seven (7) shareholders.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections entitled “Industry Overview”, “Business Overview”, “Our Management”, “Financial information of our Company” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 73, 81, 103, 121 and 145 respectively.

### **Address of Registered Office:**

The Registered Office of the Company is situated at 121, Mahaveer Nagar, Jain Colony, Jodhpur - 342001, Rajasthan, India

### **Changes in Registered Office of the Company since incorporation**

There has not been any change in our Registered Office since incorporation till date of this Draft Prospectus.

### **Our Main Object**

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business of trading, assembling, repairing, manufacturing, buying, selling, exchanging, altering, importing, exporting, letting, selling, e-commerce, distributing or dealing in all kinds of furniture, fixtures and handicraft items made from steel, brass, wood, fiber glass, plastics or other material.
2. To carry on in or outside India the business to manufacture, produce, processing, marketing, build, design, develop, display, shape, carve cut, grind, fabricate, finish, handle, prepare, polish, renovate, remodel, recycle, repair, give shape for sale/export and to act as agent, broker, distributor, demonstrator, artist, importer, exporter, buyer, seller, stockist, consultants, collaborator or otherwise to deal in all types of art –wares, stone- wares, craft items, handicraft items and designs, varieties, fashions, shapes and sizes of material made of metal, wood, cement, stone, iron paper, cloth, lace, Leatherette and other materials or with any combination thereof, such as handicrafts of paper and paper machine lined with copper or brass, bells and other handicrafts made of wrought iron and coated with copper, handicraft of aluminium, copper, imitation, carve stones, marble statues, marble fountain, chips or slabs, handicrafts of marble, semi – precious stones, leatherette goods and articles such as hand bags, pouches, bangle boxes, travels goods, carpets, rugs made of silk, wood articles, goods and articles, goods and articles of stones, plaster of paris or of any other material such as statues, monuments, photo frames, models of historical places, model temples etc., handmade paintings, drawings and to do all incidental acts and things necessary for the above objects#.
3. To carry on the business of import, export, processing, packing, re- packing, designing manufacturing and trading in, purchase, sell, online merchant, online trading in and outside India and to act as mercantile agent, general trader, wholesaler, clearing and forwarding agent, broker, consigner, consignee, conversion agent, distributor, or act as stockist or processor and or dealers in all or any types of furniture, fittings, handicrafts, wooden products, plywood teak wood and teak boards and all kinds of furniture made from wood, brass, steel, fiber glass, plastics or any other alloys and jewellery, potteries, ceramics, precious, and semi-precious stones, made ups, hand bags, cushion cover, hand – loom and power loom products, carpets, leatherette, and all types of minerals and stones including marbles and granites, and all kinds of handicrafts, art wares and antiques and all kind of handicrafts or furniture equipments appliances for domestics, office, industrial and, wooden and synthetic material or in any composition thereof, consumer goods, industrial goods, handicrafts, electronic items, components and accessories, machines and mechanical items, components and accessories, and any other products, items or thing indigenous to or obtainable within India or any other country of the world and to act as house furnishers

upholsters and dealers in and hirers, repairers, assembling, altering, exchanging, cleaners, stores and ware house of furniture, carpets, furnishing fabrics and other floor coverings, household utensils, and glass goods fittings, colorful curtain, handmade home furnishings and carpets, household requisite of all kinds and all things capable of being used therewith or in the maintenance and repair thereof.

4. To carry on the business as e-commerce platform, business of on line shopping, net marketing, multi-level marketing of consumer and other goods, internet advertising and marketing, creating virtual malls, stores, shops, creating shopping catalogues, providing secured payment processing, net commerce solutions for business to business and business to consumers, online trading in and outside India.

### Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of meeting	Type of Meeting
1.	Increase in Authorised Capital of the Company from Rs. 1,00,000 (One Lakhs) divided into 10,000 equity shares of Rs. 10/- each to Rs. 5,00,00,000 (Five Crores) divided into 50,00,000 equity shares of Rs. 10/- each	June 01, 2021	Extra-Ordinary General Meeting
2.	Conversion of Company into Public limited Company and change in name of company from Shashwat Furnishing Solutions Private Limited to Shashwat Furnishing Solutions Limited vide fresh Certificate of Incorporation issued by Registrar of Companies, Jaipur dated August 27, 2021	August 12, 2021	Extra-Ordinary General Meeting
3.	Alteration in the object clause of Memorandum of Association of our Company by inserting following clauses:  2. <i>To carry on in or outside India the business to manufacture, produce, processing, marketing, build, design, develop, display, shape, carve cut, grind, fabricate, finish, handle, prepare, polish, renovate, remodel, recycle, repair, give shape for sale/export and to act as agent, broker, distributor, demonstrator, artist, importer, exporter, buyer, seller, stockist, consultants, collaborator or otherwise to deal in all types of art –wares, stone- wares, craft items, handicraft items and designs, varieties, fashions, shapes and sizes of material made of metal, wood, cement, stone, iron paper, cloth, lace, Leatherette and other materials or with any combination thereof, such as handicrafts of paper and paper machine lined with copper or brass, bells and other handicrafts made of wrought iron and coated with copper, handicraft of aluminium, copper, imitation, carve stones, marble statues, marble fountain, chips or slabs, handicrafts of marble, semi – precious stones, leatherette goods and articles such as hand bags, pouches, bangle boxes, travels goods, carpets, rugs made of silk, wood articles, goods and articles, goods and articles of stones, plaster of paris or of any other material such as statues, monuments, photo frames, models of historical places, model temples etc., handmade paintings, drawings and to do all incidental acts and things necessary for the above objects#.</i>  3. <i>To carry on the business of import, export, processing, packing, re-packing, designing manufacturing and trading in, purchase, sell, online merchant, online trading in and outside India and to act as mercantile agent, general trader, wholesaler, clearing and forwarding agent, broker, consigner, consignee, conversion agent, distributor, or act as stockist or processor and or dealers in all or any types of furniture, fittings, handicrafts, wooden products, plywood teak wood and teak boards and all kinds of furniture made from wood, brass, steel, fiber glass, plastics or any other alloys and jewellery, potteries, ceramics, precious, and semi-precious stones, made ups, hand bags, cushion cover, hand – loom and power loom products, carpets, leatherette, and all types of minerals and stones including marbles and granites, and all</i>	August 30, 2021	Extra-Ordinary General Meeting

	<p><i>kinds of handicrafts, art wares and antiques and all kind of handicrafts or furniture equipments appliances for domestics, office, industrial and , wooden and synthetic material or in any composition thereof, consumer goods, industrial goods, handicrafts, electronic items, components and accessories, machines and mechanical items, components and accessories, and any other products, items or thing indigenous to or obtainable within India or any other country of the world and to act as house furnishers upholsters and dealers in and hirers, repairers, assembling, altering, exchanging, cleaners, stores and ware house of furniture, carpets, furnishing fabrics and other floor coverings, household utensils, and glass goods fittings, colorful curtain, handmade home furnishings and carpets, household requisite of all kinds and all things capable of being used therewith or in the maintenance and repair thereof.</i></p> <p>4. <i>To carry on the business as e-commerce platform, business of on line shopping, net marketing, multi-level marketing of consumer and other goods, internet advertising and marketing, creating virtual malls, stores, shops, creating shopping catalogues, providing secured payment processing, net commerce solutions for business to business and business to consumers, online trading in and outside India.</i></p> <p>Our Company has received Certificate of Registered of the Special Resolution Confirming Alteration of Object clause dated September 03, 2021 by Registrar of Companies, Jaipur</p>		
--	---	--	--

#### Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated August 12, 2021 pursuant to conversion of Company from Private Limited to Public Limited.

#### Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
2021	Incorporation of our company in the name and style of “Shashwat Furnishing Solutions Private Limited”.
2021	Company has taken-over the running business of Proprietorship firm of our Promoter i.e. M/s Handicrafts Village for expansion of the business of Company.
2021	Converted into Public Limited Company vide fresh certificate of incorporation dated August 27, 2021

#### Other Details about our Company

For details of our Company’s activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled “Business Overview”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis for Issue Price” on pages 81, 145 and 67 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections titled “Our Management” and “Capital Structure” beginning on pages 103 and 51 of this Draft Prospectus respectively.

#### Acquisition of Business/Undertakings & Amalgamation

We have acquired the running business of Proprietorship firm M/s Handicrafts Village with effect from June 01, 2021 which is engaged in Furniture & handicraft business.

The Company has acquired entire business of M/s Handicrafts Village vide Business Transfer Agreement dated June 01, 2021 along with all assets and liabilities. M/s handicrafts Village (herein under referred as firm) was started by our Promoter Mr. Hitesh Karnawat in the year 2016 and engaged in business of trading of furniture and handicrafts items in state of Rajasthan. Later the firm started processing & finishing furniture and handicrafts items including manufacturing through job work by third party. The Financial Snapshot of M/s Handicraft Village for last three years is as follows: -

(Amount in Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Proprietor's Capital	26.66	22.63	14.78
Revenue from Operation	61.46	39.76	49.77
Profit after tax	7.56	5.11	4.25
Cash Accruals	8.48	5.98	4.93

The above details are extracted from Income Tax return filed by Proprietorship firm "Handicrafts Village" of our Promoter Mr. Hitesh Karnawat.

Except as disclose above and in this Draft Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

#### **Holding Company**

As on the date of this Draft Prospectus, our Company is not a subsidiary of any company.

#### **Subsidiary of our Company**

As on the date of this Draft Prospectus, our company does not have any Subsidiaries/Holdings and Joint Ventures.

#### **Capital raising (Debt / Equity)**

For details in relation to our capital raising activities through equity, please refer to the chapter titled "Capital Structure" beginning on page 51 of this Draft Prospectus. For details of our Company's debt facilities, please refer section "Financial Information of our Company" on page 121 of this Draft Prospectus.

#### **Time and Cost overruns in setting up projects**

There has been no time / cost overrun in setting up projects by our Company.

#### **Injunction or restraining order**

There are no injunctions/ restraining orders that have been passed against the Company.

#### **Revaluation of Assets**

Our Company has not revalued its assets since incorporation

#### **Defaults or Rescheduling of borrowings with financial institutions/banks and Conversion of loans into Equity Shares**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of this Draft Prospectus. Furthermore, except as disclosed in chapter titled "Capital Structure" beginning on Page 51 of this Draft Prospectus, none of the Company's loans have been converted into equity in the past.

#### **Lock-out or strikes**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts except the lockdown as directed by Government of India during the pandemic situation of Covid-19 all over India.

As on the date of this Draft Prospectus, our employees are not unionized.

#### **Shareholders of our Company:**

Our Company has Seven (7) shareholders as on the date of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled "Capital Structure" beginning on page 51 of this Draft Prospectus.

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

For details of change in Management, please see chapter titled "Our Management" on page 103 of this Draft Prospectus.

### **Changes in activities of our Company during the last five (5) years**

There has been no change in the business activities of our Company since incorporation which may have had a material effect on the profit/loss account of our Company except our company has taken-over the running business of proprietorship firm M/s Handicrafts Village with effect from June 01, 2021 which is engaged in handicraft business.

Further except as above and as mentioned in Material development in chapter titled “Management’s discussion and analysis of financial conditions & results of operations” beginning on page 145 of this Draft Prospectus.

### **Shareholders Agreements**

As on the date of this Draft Prospectus, there are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

### **Collaboration Agreements**

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

### **Material Agreement**

Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business.

### **OTHER AGREEMENTS**

#### **Non-Compete Agreement**

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Prospectus.

#### **Joint Venture Agreement**

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

#### **Strategic Partners**

Except as mentioned in this Draft Prospectus, Our Company does not have any strategic partners as on the date of this Draft Prospectus.

#### **Financial Partners**

Our Company does not have any financial partners as on the date of this Draft Prospectus.

### **Corporate Profile of our Company**

For details on the description of our Company’s activities, the growth of our Company, please see “Business Overview”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis of Issue Price” on pages 81, 145 and 67 of this Draft Prospectus.

## OUR MANAGEMENT

**Board of Directors:** As per the Articles of Association, our Company is required to have not less than Three (3) Directors and not more than Fifteen (15) Directors. Currently, our Company has Six (6) Directors and out of which Three (3) are Non-Executive Independent Directors.

The following table sets forth the details regarding our Board of Directors of our Company as on the date of filing of this Draft Prospectus:

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
1.	<p><b>Mr. Hitesh Karnawat</b>  <b>Father Name:</b> Mr. Lalit Karnawat  <b>Age:</b> 32 Years  <b>Designation:</b> Chairman cum Managing Director  <b>Address:</b> Hudco Quarter, Kamla Nehru Nagar, 121, Mahavir Nagar Jain Colony, Guro ka Talab, Jodhpur - 342003, Rajasthan, India.  <b>Experience:</b> 07 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Commerce (Honours)  <b>Nationality:</b> Indian  <b>DIN:</b> 09097273</p>	<p>Originally appointed on the Board as Director w.e.f. March 08, 2021.</p> <p>Further re- appointed as Chairman and Managing Director w.e.f. September 04, 2021 for a period of 5 years, not liable to retire by rotation.</p>	13,72,350 Equity Shares; 89.70% of Pre- Issue Paid up capital	NIL
2.	<p><b>Mr. Lalit Ghewarchand Karnawat</b>  <b>Father Name:</b> Mr. Ghewar Chand Karnawat  <b>Age:</b> 62 Years  <b>Designation:</b> Whole-Time Director  <b>Address:</b> Hudco Quarter, Kamla Nehru Nagar, 121, Mahavir Nagar, Jain Colony, Jodhpur - 342003, Rajasthan, India  <b>Experience:</b> 02 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Matriculation  <b>Nationality:</b> Indian  <b>DIN:</b> 09097274</p>	<p>Originally appointed on the Board as Director w.e.f. March 08, 2021.</p> <p>Further re- appointed as Whole-Time Director w.e.f. September 04, 2021 for a period of 5 years, liable to retire by rotation</p>	72,250 Equity Shares; 4.72% of Pre- Issue Paid up capital	NIL
3.	<p><b>Mrs. Mayuri Karnawat</b>  <b>Father Name:</b> Mr. Mohan Lal Jain  <b>Age:</b> 35 Years  <b>Designation:</b> Whole-Time Director and Chief Financial Officer  <b>Address:</b> 121, Mahaveer Nagar, Guro ka Talab, Jodhpur - 342001, Rajasthan, India  <b>Experience:</b> 03 years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Commerce  <b>Nationality:</b> Indian  <b>DIN:</b> 09276591</p>	<p>Originally appointed on the Board as Director w.e.f. August 12, 2021.</p> <p>Further re- appointed as Whole-Time Director w.e.f. September 04, 2021 for a period of 5 years, liable to retire by rotation</p>	85,000 Equity Shares; 5.56% of Pre- Issue Paid up capital	NIL



S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
4.	<b>Mr. Adesh Bhansali</b> <b>Father Name:</b> Mr. Guru Dutt Raj Bhansali <b>Age:</b> 53 Years <b>Designation:</b> Non-Executive Independent Director <b>Address:</b> 2 Kh 50, Near Rangoli Shop, Chopasani Housing Board, Jodhpur, Nandanwan - 342008, Rajasthan, India. <b>Experience:</b> 07 Years <b>Occupation:</b> Self Employed <b>Qualifications:</b> Bachelor of Science <b>Nationality:</b> Indian <b>DIN:</b> 09298681	Appointed on the Board as Non- Executive Independent Director w.e.f. September 04, 2021 for period of 5 years.	NIL	NIL
5	<b>Mr. Praveen Kumar Bokariya</b> <b>Father Name:</b> Babulal Bokariya <b>Age:</b> 37 Years <b>Designation:</b> Non-Executive Independent Director <b>Address:</b> 203B Shubh Kamna, M D Keni Road, Nahur East, Mumbai - 400042, Maharashtra, India <b>Experience:</b> 10 Years <b>Occupation:</b> Self Employed <b>Qualifications:</b> Chartered Accountant <b>Nationality:</b> Indian <b>DIN:</b> 08028204	Appointed on the Board as Non- Executive Independent Director w.e.f. September 04, 2021 for period of 5 years.	NIL	NIL
6	<b>Mr. Neelabh Gotecha</b> <b>Father Name:</b> Mr. Mahaveer Gotecha <b>Age:</b> 35 Years <b>Designation:</b> Non-Executive Independent Director <b>Address:</b> Plot No-203, Paota C Road, Laxmi Nagar, Jodhpur Kachery, Jodhpur - 342006, Rajasthan, India. <b>Experience:</b> 6 Years <b>Occupation:</b> Self Employed <b>Qualifications:</b> Bachelor of Engineering <b>Nationality:</b> Indian <b>DIN:</b> 09298749	Appointed on the Board as Non- Executive Independent Director w.e.f. September 04, 2021 for period of 5 years.	NIL	NIL

### **BRIEF PROFILE OF OUR DIRECTORS**

#### **1. Mr. Hitesh Karnawat, Chairman cum Managing Director, Age: 32 Years**

Mr. Hitesh Karnawat, aged 32 years is Chairman and Managing Director and also the Promoter of our Company. He holds honours degree in Bachelor of Commerce. He was appointed on the Board on March 08, 2021 and further designated as the Chairman and Managing Director of the Company on September 04, 2021 for a period of 5 years not liable to retire by rotation. He is looking after core management of the company and entrepreneur, active and enthusiastic in business activities. He has been instrumental in taking major policy decision of the Company. He has experience of 07 years in our Industry. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

**2. Mr. Lalit Ghewarchand Karnawat, Whole-Time Director, Age: 62 Years**

Mr. Lalit Ghewarchand Karnawat, aged 62 years, is the Whole-Time Director of our Company. He holds matriculation degree. He was originally appointed on the Board on March 08, 2021 and further designated as the Whole-Time Director of the Company on September 04, 2021 for a period of 5 years liable to retire by rotation. He is having experience of 02 years in our industry. He is involved in the business right from conceptualization stage for Planning and guiding the Business Activities.

**3. Mrs. Mayuri Karnawat, Whole-Time Director, Age: 35 Years**

Mrs. Mayuri Karnawat, aged 35 years is Whole-Time Director of our Company. She was originally appointed on the Board on August 12, 2021 and further designated as the Whole-Time of the Company on September 04, 2021 for a period of 5 years liable to retire by rotation. She holds degree in Bachelor of Commerce having experience of 03 years.

**4. Mr. Adesh Bhansali, Non-Executive Independent Director, Age: 53 Years**

Mr. Adesh Bhansali, aged 53 years is Non-Executive Independent Director of our Company. He was originally appointed on the Board as Non-Executive Independent Director on the Board w.e.f. September 04, 2021 He holds degree in Bachelor of Science having experience of 07 years.

**5. Mr. Praveen Kumar Bokariya, Non-Executive Independent Director, Age: 37 Years**

Mr. Praveen Kumar Bokariya, aged 37 years is Non-Executive Independent Director of our Company. He was originally appointed on the Board as Non-Executive Independent Director on the Board w.e.f. September 04, 2021. He is qualified Chartered Accountant having experience of 10 years.

**6. Mr. Neelabh Gotecha, Non-Executive Independent Director, Age: 35 Years**

Mr. Neelabh Gotecha, aged 35 years is Non-Executive Independent Director of our Company. He was originally appointed on the Board as Non-Executive Independent Director on the Board w.e.f. September 04, 2021. He holds degree in Bachelor of Engineering having experience of 06 years.

**Confirmations**

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above-mentioned Directors are on the RBI list of willful defaulters as on the date of filling of this Draft Prospectus.
- Further, our Company, our Promoter, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.
- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Directors and promoter of our company.

Except as disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on Page 155 of this Draft Prospectus, there is no criminal cases filed or being undertaken with regard to alleged commission of any offence by any of our directors which also effected the business of our company and none of directors of our Company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.

Further, our Company, our Promoter, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

**Nature of any family relationship between any of our Directors:**

Apart from Mr. Hitesh Karnawat and Mr. Lalit Ghewarchand Karnawat who are related to each other as son and father, none of the Directors of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013. Also, Mrs Mayuri Karnawat is related to Mr. Lalit Ghewarchand Karnawat as daughter-in-law and related to Mr. Hitesh Karnawat as sister-in-law.

### **Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

### **Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

### **Details of Borrowing Powers of Directors**

Our Company at its Annual General Meeting held on September 04, 2021 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of moneys which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) shall not exceed in the aggregate at any one time Rs. 100 Crores (Rupees One Hundred Crores Only) irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

### **Compensation of our Executive Director**

The compensation payable to our Executive Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director:

<b>Particulars</b>	<b>Mr. Hitesh Karnawat</b>	<b>Mr. Lalit Ghewarchand Karnawat</b>	<b>Mrs. Mayuri Karnawat</b>
Re-Appointment / Change in Designation	Shareholder's Resolution dated September 04, 2021	Shareholder's Resolution dated September 04, 2021	Shareholder's Resolution dated September 04, 2021
Designation	Chairman cum Managing Director	Whole-Time Director	Whole-Time Director
Term of Appointment	5 years Not Liable to Retire by Rotation	5 years Liable to Retire by Rotation	5 years Liable to Retire by Rotation
Maximum Remuneration shall not exceed (in Rs.)	Rs 1,08,000 per month	Rs. 60,000 per month	Rs. 65,000 per month
Remuneration paid for Year 2020-21	Nil	Nil	Nil

### **Bonus or Profit Sharing Plan for our Directors**

We have no bonus or profit sharing plan for our Directors.

### **Sitting Fee**

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director & Whole- Time Directors) for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors has resolved in their meeting dated September 08, 2021 for payment to all Non-Executive Independent Directors for attending each such meeting of the Board or Committee thereof.

### **SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of Shares held</b>	<b>Holding in %</b>
1.	Mr. Hitesh Karnawat	13,72,350	89.70
2.	Mr. Lalit Ghewarchand Karnawat	72,250	4.72

3.	Mrs. Mayuri Karnawat	85,000	5.56
----	----------------------	--------	------

*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Prospectus*

*Our Company do not have Subsidiary Company.*

*Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.*

### **INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- “Compensation of our Managing Director a Whole Time Directors” above, under chapter titled “Our Management” beginning on page 103 of this Draft Prospectus

Our Directors may also be regarded as interested their shareholding and dividend payable thereon, if any, Our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are interested in the Company in following manner:-

Director	Particulars
Mr. Hitesh Karnawat	Our Director, Mr. Hitesh Karnawat is interested in our company to extent of loan granted to Company amounting Rs. 13.50 Lakhs as on July 31, 2021
Mr. Lalit Ghewarchand Karnawat	Our Director, Mr. Lalit Ghewarchand Karnawat is interested in our company for registered office granted on lease to our company at monthly rental of Rs. 7,000/- per month Also wife of our Director has granted outstanding loan of Rs. 3.52 Lakhs as on July 31, 2021

Further our Directors may also have interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of this draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section “Our Management” or the section titled Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 103 and 121 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

### **Interest in the property of Our Company**

Except as disclosed above and in the chapters titled “Business Overview” and “Related Party Transactions under chapter titled “Financial Information of our Company” and “History and Corporate Structure” on page 81, 121 and 98 respectively of this Draft Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Draft Prospectus.

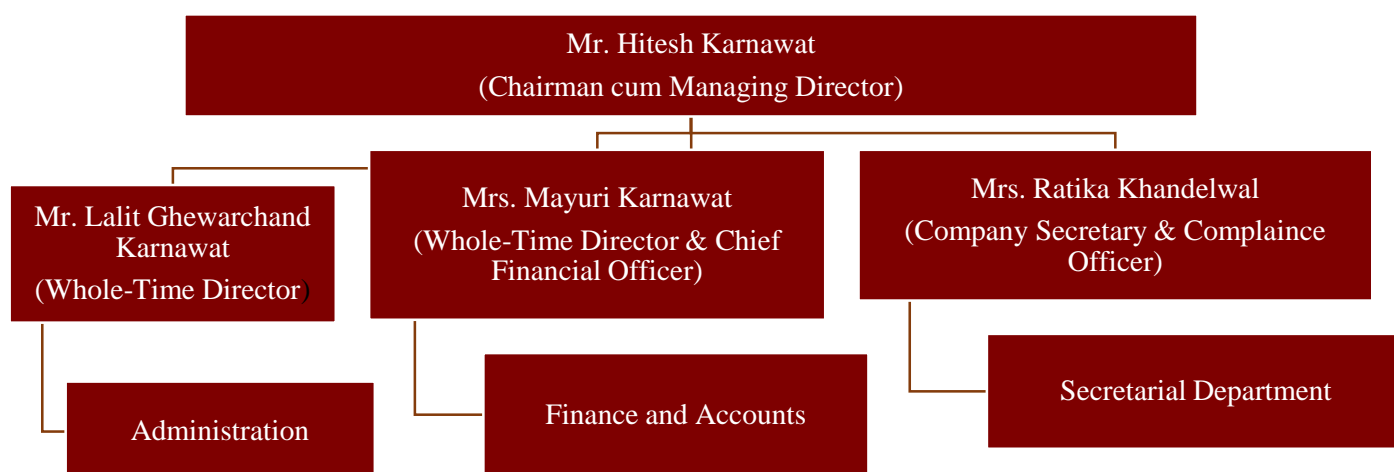
### **CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Hitesh Karnawat	Appointment as Director on incorporation of Company on March 08, 2021	Appointment
2.	Mr. Lalit Ghewarchand Karnawat	Appointment as Director on incorporation of Company on March 08, 2021	Appointment
3.	Mrs. Mayuri Karnawat	Appointment as Executive Director vide Shareholding Meeting dated August 12, 2021	To ensure better Corporate Governance

4.	Mr. Hitesh Karnawat	Change in Designation as Chairman cum Managing Director vide Shareholders Meeting dated September 04, 2021	To ensure better Corporate Governance
5.	Mr. Lalit Ghewarchand Karnawat	Change in Designation as Whole-Time Director vide Shareholders Meeting dated September 04, 2021	To ensure better Corporate Governance
6.	Mrs. Mayuri Karnawat	Change in Designation as Whole-Time Director vide Shareholders Meeting dated September 04, 2021	To ensure better Corporate Governance
7.	Mr. Adesh Bhansali	Appointed on Board as Non-Executive Independent Director w.e.f. September 04, 2021	To ensure better Corporate Governance
8.	Mr. Praveen Kumar Bokariya	Appointed on Board as Non-Executive Independent Director w.e.f. September 04, 2021	To ensure better Corporate Governance
9.	Mr. Neelabh Gotecha	Appointed on Board as Non-Executive Independent Director w.e.f. September 04, 2021	To ensure better Corporate Governance

### **MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure: -



### **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of BSE. The requirements pertaining to constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically. Currently, our Board has six (6) Directors. In compliance with the requirements of the Companies Act we have one (1) Managing Director, two (2) Whole Time Director and three (3) Non-Executive Independent Directors. We have one (1) woman director on our Board.

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Relationship Committee

Following are the details of the Committees: -

### 1. Audit Committee

Our Company has constituted the Audit Committee in accordance with Section 177 and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines. Further, the Audit Committee was constituted by way of a Board resolution dated September 08, 2021. The audit committee presently consists of the following Directors of the Board:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Adesh Bhansali	Chairman	Non-Executive Independent Director
Mr. Praveen Kumar Bokariya	Member	Non-Executive Independent Director
Mr. Hitesh Karnawat	Member	Chairman cum Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

- A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
- B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.
- C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:
- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
  - Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to:
    - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - changes, if any, in accounting policies and practices and reasons for the same;
    - major accounting entries involving estimates based on the exercise of judgment by management;
    - significant adjustments made in the financial statements arising out of audit findings;
    - compliance with listing and other legal requirements relating to financial statements;
    - disclosure of any related party transactions;
    - modified opinion(s) in the draft audit report;
  - 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the listed entity with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors of any significant findings and follow up there on;



15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the 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. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. 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;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## 2. Stakeholders Relationship Committee

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated September 08, 2021. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Praveen Kumar Bokariya	Chairman	Non-Executive Independent Director
Mr. Neelabh Gotecha	Member	Non-Executive Independent Director
Mrs. Mayuri Karnawat	Member	Whole-Time Director

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

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
- Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### 3. Nomination and Remuneration Committee

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of Directors held on September 08, 2021. The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Neelabh Gotecha	Chairman	Non-Executive Independent Director
Mr. Adesh Bhansali	Member	Non-Executive Independent Director
Mr. Praveen Kumar Bokariya	Member	Non-Executive Independent Director

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

- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.
- C. Role of Terms of Reference:**
- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
  - Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
  - Formulation of criteria for evaluation of performance of independent directors and the board of directors;
  - Devising a policy on diversity of board of directors;
  - 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;
  - Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
  - Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
  - Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.

- Decide the amount of Commission payable to the Whole Time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of BSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

#### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of BSE. The Board of Directors at their meeting held on September 08, 2021 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

#### **Our Key Managerial Personnel**

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

<b>Name, Designation &amp; Educational Qualification</b>	<b>Age (Year)</b>	<b>Date of joining as KMP</b>	<b>Compensation paid for the F.Y ended 2021 (in Rs Lacs)</b>	<b>Over all experience (in years)</b>	<b>Previous employment</b>
<b>Name:</b> Mr. Hitesh Karnawat <b>Designation:</b> Chairman cum Managing Director <b>Qualification:</b> Bachelor of Commerce (Honours)	32	Chairman and Managing Director w.e.f. September 04, 2021	Nil	07 Years	Proprietor of M/s Handicrafts Village
<b>Name:</b> Mr. Lalit Ghewarchand Karnawat <b>Designation:</b> Whole-Time Director <b>Qualification:</b> Matriculation	62	Whole-Time Director w.e.f. September 04, 2021	Nil	02 Years	M/s Handicrafts Village
<b>Name:</b> Mrs. Mayuri Karnawat <b>Designation:</b> Whole-Time Director & Chief Financial Officer <b>Qualification:</b> Bachelor of Commerce	35	Whole-Time Director w.e.f. September 04, 2021 and Chief Financial Officer w.e.f. September 08, 2021	Nil	03 Years	Self Employed
<b>Name:</b> Mrs. Ratika Khandelwal <b>Designation:</b> Company Secretary & Compliance Officer <b>Qualification:</b> Company Secretary	33	Appointed w.e.f. September 04, 2021	Nil	02 Years	Goyal Achal Sampatti Vikas and Niyojan Nigam Limited

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

### 1. Mr. Hitesh Karnawat, Chairman cum Managing Director, Age: 32 Years

Mr. Hitesh Karnawat, aged 32 years is Chairman and Managing Director and also the Promoter of our Company. He holds honours degree in Bachelor of Commerce. He was appointed on the Board on March 08, 2021 and further designated as the Chairman and Managing Director of the Company on September 04, 2021 for a period of 5 years not liable to retire by rotation. He is looking after core management of the company and entrepreneur, active and enthusiastic in business activities. He has been instrumental in taking major policy decision of the Company. He has experience of 07 years in our Industry. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

### 2. Mr. Lalit Ghewarchand Karnawat, Whole-Time Director, Age: 62 Years

Mr. Lalit Ghewarchand Karnawat, aged 62 years, is the Whole-Time Director of our Company. He holds Matriculation degree. He was originally appointed on the Board on March 08, 2021 and further designated as the Whole-Time Director of the Company on September 04, 2021 for a period of 5 years liable to retire by rotation. He is having experience of 02 years in our industry. He is involved in the business right from conceptualization stage for Planning and guiding the Business Activities.

### 3. Mrs. Mayuri Karnawat, Whole-Time Director & Chief Financial Officer, Age: 35 Years

Mrs. Mayuri Karnawat, aged 35 years is Whole-Time Director of our Company. She was originally appointed on the Board on August 12, 2021 and further designated as the Whole-Time of the Company on September 04, 2021 for a period of 5 years liable to retire by rotation. She was also appointed as Chief Financial Officer w.e.f. September 08, 2021. She holds degree in Bachelor of Commerce having experience of 03 years.

### 4. Mrs. Ratika Khandelwal, Company Secretary & Compliance Officer, Age: 33 Years

Mrs. Ratika Khandelwal aged 33 years is Company Secretary & Compliance Officer of our Company. She was appointed as company secretary w.e.f. September 08, 2021 She is company secretary having experience of 2 years.

## RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Mr. Hitesh Karnawat and Mr. Lalit Ghewarchand Karnawat are related to each other as son and father. Also, Mrs Mayuri Karnawat is related to Mr. Lalit Ghewarchand Karnawat as daughter-in-law and related to Mr. Hitesh Karnawat as sister-in-law.

### We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Mr. Hitesh Karnawat, Mr. Lalit Ghewarchand Karnawat and Mrs Mayuri Karnawat are part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended on July 31, 2021.
- Except for the terms set forth in the appointment Letters the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus except as under:

Sr. No.	Name of Director/ KMP	No. of Shares held	Holding in %
1.	Mr. Hitesh Karnawat	13,72,350	89.70
2.	Mr. Lalit Ghewarchand Karnawat	72,250	4.72
3.	Mrs. Mayuri Karnawat	85,000	5.56

- Presently, we do not have ESOP/ESPS scheme for our employees.
- The turnover of KMPs is not high, compared to the Industry to which our Company belongs.

### Payment of Benefits to Officers of our Company (non-salary related)

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuations, ex-gratia/rewards.

### Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last three years except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
1.	Mr. Hitesh Karnawat	Chairman & Managing Director	September 04, 2021	Change in Designation
2.	Mr. Lalit Ghewarchand Karnawat	Whole-Time Director	September 04, 2021	Change in Designation
3.	Mrs. Mayuri Karnawat	Whole-Time Director	September 04, 2021	Change in Designation
4.	Mrs. Mayuri Karnawat	Chief Financial Officer	September 08, 2021	Appointment
5.	Mrs. Ratika Khandelwal	Company Secretary & Compliance Officer	September 08, 2021	Appointment

### INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company. Also our Key managerial personnel are interested in following manner:-

Key Managerial Person	Particulars
Mr. Hitesh Karnawat	Our Key Managerial Person, Mr. Hitesh Karnawat is interested in our company to extent of loan granted to Company amounting Rs. 13.50 Lakhs as on July 31, 2021
Mr. Lalit Ghewarchand Karnawat	Our Key Managerial Person, Mr. Lalit Ghewarchand Karnawat is interested in our company for registered office granted on lease to our company at monthly rental of Rs. 7,000/- per month Also wife of our Key Managerial Person has granted outstanding loan of Rs. 3.52 Lakhs as on July 31, 2021

Except as provided in this Draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to Related Party Transaction under chapter titled under chapter titled "Financial Information of our Company" beginning on page 121 of this Draft Prospectus.

### LOANS AVAILED BY DIRECTORS / KEY MANAGERIAL PERSONNEL OF OUR COMPANY

None of the Key Managerial Personnel have any outstanding loan from our Company as on the date of this Draft Prospectus.

### ARRANGEMENT / UNDERSTANDING WITH MAJOR SHAREHOLDERS / CUSTOMERS / SUPPLIERS

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel was selected as a member of our senior management.



## **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR DIRECTOR AND KEY MANAGERIAL PERSONNEL**

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

## **OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this Draft Prospectus, there are no other benefits payable to our Key Managerial Personnel.

## **EMPLOYEES**

The details about our employees appear under the Paragraph titled —Human Resource in Chapter Titled — Business Overview beginning on page 81 of this Draft Prospectus.




## OUR PROMOTER & PROMOTER GROUP

Mr. Hitesh Karnawat is the Promoter of our Company.

As on the date of this Draft Prospectus, Mr. Hitesh Karnawat is holding 13,72,350 Equity Shares which in aggregate, constitutes 89.70% of the issued and paid-up Equity Share capital of our Company. Our Promoter and Promoter Group will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

### Details of our Promoter: -

	<b>Mr. Hitesh Karnawat, Chairman cum Managing Director</b>	
	<b>Qualification</b>	Bachelor of Commerce (Honours)
	<b>Age</b>	32 Years
	<b>Address</b>	Hudco quarter, Kamla Nehru Nagar, 121, Mahavir Nagar, Guro ka Talab, Jodhpur-342003, India.
	<b>Experience</b>	07 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AWTPK1938J
	<b>Passport Number</b>	N1977786
	<b>Name of Bank &amp; Bank Account Details</b>	ICICI Bank Limited Account No. - 682501500314
	<b>Driving License Number</b>	RJ-19/DLC/11/403759
	<b>Aadhar Card Number</b>	247699574595
	<b>No. of Equity Shares held in SFSL [% of Shareholding (Pre Issue)]</b>	13,72,350 [89.70%]
	<b>DIN</b>	09097273
	<b>Other Interests</b>	NIL

### Declaration

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of the Promoter which are available have been submitted to BSE at the time of filing of Draft Prospectus with them.

*Present Promoter of Our Company is Mr Hitesh Karnawat. Mr Hitesh Karnawat and Mr. Lalit Ghewarchand Karnawat were original subscribers to the MoA of Our Company. For details of the shareholding acquired by the current promoter of our Company refer the capital buildup of our Promoter under chapter "Capital Structure" beginning on page 51 of this Draft Prospectus.*

### Undertaking/ Confirmations

None of our Promoter or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoter, Group Company and Company promoted by the promoter of our company.

There is no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoter, Group Company and Company promoted by the promoter during the past three years.

The litigation record, the nature of litigation, and status of litigation of our Company, Promoter, Group company and Company promoted by the Promoter are disclosed in chapter titled "Outstanding Litigations and Material Developments" beginning on page 155 of this Draft Prospectus.

None of our Promoter, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoter, the promoter group members nor our Group Company have been declared as a willful defaulter by the RBI or any other government authority nor there are any violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

### **Common Pursuits/ Conflict of Interest**

Except as disclosed in this Draft Prospectus, none of the promoter group companies/firms are engaged in similar line of business as our Company as on date of this Draft Prospectus. For further details of our Group Companies refer to Section titled “Information with respect to Group Companies” on page 162 of this Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Interest in promotion of Our Company**

The Promoter is interested to the extent of their shareholding in the Company, and any dividend and distributions which may be made by the Company in future. The related party transactions are disclosed in “Financial information of our Company” and “Our Management – Interest of Directors” and “Our Management – Interest of Key Managerial Personnel” on pages 121 & 103 of this Draft Prospectus, respectively.

### **Interest in the property of Our Company**

Except as mentioned in this Draft Prospectus, our Promoter do not have any other interest in any property acquired by our Company since incorporation before filing of this Draft Prospectus or proposed to be acquired by us till date of filing the Prospectus with RoC.

### **Other Interest of Promoter**

Our Promoter Mr. Hitesh Karnawat is interested to the extent of their shareholding and shareholding of their relatives in our Company. Our Promoter Hitesh Karnawat who is also the Chairman cum Managing Director of our Company may be deemed to be interested to the extent of his remuneration, as per the terms of his appointment and reimbursement of expenses payable to them. Our Promoter may also be deemed interested to the extent of any unsecured loan given/taken by them to/from our Company. Further our Promoter are interested in the Company in following manner:-

Promoter	Particulars
Mr. Hitesh Karnawat	<ul style="list-style-type: none"> <li>- Our Promoter, Mr. Hitesh Karnawat is interested in our company to extent of loan granted to Company amounting Rs. 13.50 Lakhs as on July 31, 2021</li> <li>- Relatives of the promoter are the directors and KMPs of the Company</li> </ul>

*For transaction in respect of loans and other monetary transaction entered in past please refer Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 121 of this Draft Prospectus.*

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus or proposes to enter into any such contract in which our Promoter are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

### **Experience of Promoter in the line of business**

Our Promoter Mr. Hitesh Karnawat has experience of 07 years. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

### **Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 121 of this Draft Prospectus.

Except as stated in “Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 121 of this Draft Prospectus and as stated therein, our Promoter or any of the Promoter Group do not have any other interest in our business.

### **Payment or Benefit to Promoter of Our Company**

For details of payments or benefits paid to our Promoter, please refer to the chapter titled “Our Management” beginning on page 103 of this Draft Prospectus. Also refer Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 121 of this Draft Prospectus.

### **Companies / Firms from which the Promoter have disassociated themselves in the last (3) three years**

Our Promoter Mr. Hitesh Karnawat has not been disassociated themselves in the last three years except disassociation from M/s Handicrafts Village (sole proprietorship of Mr. Hitesh Karnawat) which is taken over by our Company.

### **Other ventures of our Promoter**

Save and except as disclosed in this section titled “Our Promoter and Promoter Group” and “Information with respect to Group Companies” beginning on page 116 & 162 respectively of this Draft Prospectus, there are no ventures promoted by our Promoter in which they have any business interests/ other interests as on date of this Draft Prospectus.

### **Litigation details pertaining to our Promoter**

For details on litigations and disputes pending against the Promoter and defaults made by the Promoter please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 155 of this Draft Prospectus.

### **Other Confirmation**

Our Company has neither made any payments in cash or otherwise to our Promoter or to firms or companies in which our Promoter is interested as member, director or promoter nor have our Promoter been offered any inducements to become director or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “Related Party Transactions” in the section titled “Financial Information of our company” beginning on Page No. 121 of this Draft Prospectus.

## **OUR PROMOTER GROUP**

In addition to the Promoter named above, the following natural persons are part of our Promoter Group:

### **1. Natural Persons who are part of the Promoter Group**

As per Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoter), other than the Promoter, are as follows:

<b>Relationship</b>	<b>Mr. Hitesh Karnawat</b>
<b>Father</b>	Lalit Ghewarchand Karnawat
<b>Mother</b>	Sushiladevi Lalitkumar Karnawat
<b>Spouse</b>	Jayshree Karnawat
<b>Brother</b>	Piyush Karnawat
<b>Sisters</b>	Sapna Jain Dimple Manishkumar Oswal
<b>Son</b>	Jinay Karnawat
<b>Daughter</b>	Peהל Karnawat
<b>Spouse's Father</b>	Jeewan Chand
<b>Spouse's Mother</b>	Champa Bhandari
<b>Spouse's Brother</b>	Deepak Bhandari
<b>Spouse's Sister</b>	--

\* In addition to above, Mrs. Mayuri Karnawat and Mr. Rajendra Jain is also considered as part of Promoter Group

## 2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

Nature of Relationship	Entity
Anybody corporate in which twenty per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member	Nil
Any Body corporate in which a body corporate as provided above holds twenty percent or more of the equity share capital	Nil
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than twenty percent of the total Capital.	Nil

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares since incorporation. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

**SECTION IX - FINANCIAL INFORMATION OF OUR COMPANY**

**RESTATED FINANCIAL STATEMENTS**

**INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION**  
**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

**To,**  
**The Board of Directors,**  
**Shashwat Furnishing Solutions Limited**

Dear Sir,

We have examined the attached Restated Financial Information of Shashwat Furnishing Solutions Limited (formerly known as Shashwat Furnishing Solutions Private Limited) ( hereunder referred to “the Company”, “Issuer”) comprising the Restated Statement of Assets and Liabilities as at July 31, 2021 & March 31, 2021 the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the stub period ended on July 31, 2021 & Financial Year Ended on March 31, 2021 the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on September 16, 2021 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the “Act”);
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) as amended (ICDR Regulations”); and
- c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. (“The Guidance Note”).

The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Jaipur in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company for the stub period ended on July 31, 2021 & Financial Year Ended on March 31, 2021 on the basis of preparation stated in ANNEXURE – D to the Restated Financial Information. The Board of Directors of the company’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information.

We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 09, 2021 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and ,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Restated Financial Information have been compiled by the management from:

- a) Audited financial statements of company as at and for the stub period ended on July 31, 2021 & Financial Year ended on March 31, 2021 prepared by us in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.



The audit report on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the period ended on July 31, 2021 & March 31, 2021:-

- a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Report issued by us for the Period Ended July 31, 201 & March 31, 2021 which would require adjustments in this Restated Financial Statements of the Company;
- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – D to this report;
- f) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement
- i) The Company has not paid any dividend since its incorporation.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Restated Statement of Assets and Liabilities” as set out in ANNEXURE – A to this report, of the Company as at July 31, 2021 & March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings 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 – D to this Report.
- b) The “Restated Statement of Profit and Loss” as set out in ANNEXURE – B to this report, of the Company for the stub period Ended on July 31, 2021 & Financial Year Ended on March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings 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 – D to this Report.
- c) The “Restated Statement of Cash Flow” as set out in ANNEXURE – C to this report, of the Company for the stub period ended on July 31, 2021 & Financial Year Ended on March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.

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 stub Period ended on July 31, 2021 & Financial Year Ended on March 31, 2021 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Statement of Share Capital, Reserves And Surplus	Annexure – A.1 & Annexure – A.2
Restated Statement of Short-Term Borrowing	Annexure – A.3

Restated Statement of Trade Payables	Annexure – A.4
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure – A.5 & Annexure – A.6
Restated Statement of Fixed Assets	Annexure – A.7
Restated Statement of Deferred Tax Assets	Annexure – A.8
Restated Statement of Long Term Loans & Advances	Annexure – A.9
Restated Statement of Other Non-Current Assets	Annexure – A.10
Restated Statement of Inventories	Annexure – A.11
Restated Statement of Trade Receivables	Annexure – A.12
Restated Statement of Cash & Cash Equivalents	Annexure – A.13
Restated Statement of Short Term Loans & Advances	Annexure – A.14
Restated Statement of Other Current Assets	Annexure – A.15
Restated Statement of Revenue from Operations	Annexure – B.1
Restated Statement of Other Income	Annexure – B.2
Restated Statement of Cost of Material Consumed	Annexure – B.3
Restated Statement of Change in Inventories of Finished Goods	Annexure – B.4
Restated Statement of Employee Benefit Expenses	Annexure – B.5
Restated Statement of Depreciation & Amortization	Annexure – B.6
Restated Statement of Other Expenses	Annexure – B.7
Restated Statement of Deferred Tax Expenses	Annexure – B.8
Material Adjustment to the Restated Financial	Annexure – E
Restated Statement of Tax shelter	Annexure – F
Restated Statement of Capitalization	Annexure – G
Restated Statement of Contingent Liabilities	Annexure – H
Restated Statement of Accounting Ratios	Annexure – I
Restated Statement of related party transaction	Annexure – J

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – D are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. A Y & Company, 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.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – A to J of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.



Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For, M/s A Y & CO.**  
**Chartered Accountants**  
**Firm Registration Number: - 020829C**  
**Peer Review No. – 013225**

**CA Priyanka Gianchandani**  
**(Partner)**  
**Membership No.445912**  
**UDIN - 21445912AAAAAG2488**

**Date: 16.09.2021**  
**Place: Jodhpur**

**ANNEXURE – A: RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st July 2021	As at 31st March 2021
<b>A.</b>	<b>Equity and Liabilities</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	Share Capital	<b>A.1</b>	153.00	1.00
	Reserves & Surplus	<b>A.2</b>	19.96	-
	<b>Share application money pending allotment</b>			-
<b>2</b>	<b>Non-Current Liabilities</b>			
	Long-Term Borrowings			
	Other Non-Current Liabilities			
	Long-Term Provisions		-	-
	Deferred Tax Liabilities (Net)			
<b>3</b>	<b>Current Liabilities</b>			
	Short Term Borrowings	<b>A.3</b>	17.02	-
	Trade Payables :	<b>A.4</b>		
	(A) total outstanding dues of micro enterprises and small enterprises; and		0.27	
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]		14.31	-
	Other Current Liabilities	<b>A.5</b>	1.32	-
	Short Term Provisions	<b>A.6</b>	0.69	-
	<b>Total</b>		<b>206.57</b>	<b>1.00</b>
<b>B.</b>	<b>Assets</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	Property, Plant and Equipment			
	Tangible Assets	<b>A.7</b>	4.07	0.00
	Capital Work In Progress	<b>A.7</b>	0.00	-
	Intangible Assets			-
	Non-Current Investments			-
	Deferred Tax Assets	<b>A.8</b>	0.03	-
	Long Term Loans & Advances	<b>A.9</b>	5.61	-
	Non Current Investments		-	-
	Other Non Current Assets	<b>A.10</b>	8.54	-
<b>2</b>	<b>Current Assets</b>			
	Current Investments			-
	Inventories	<b>A.11</b>	12.70	-
	Trade Receivables	<b>A.12</b>	17.99	-
	Cash and Cash Equivalents	<b>A.13</b>	148.73	1.00
	Short-Term Loans and Advances	<b>A.14</b>	4.79	-
	Other Current Assets	<b>A.15</b>	4.11	-
	<b>Total</b>		<b>206.57</b>	<b>1.00</b>

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, B & C.

**ANNEXURE – B: RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs in Lakhs)

Sr. No	Particulars	Note No.	For the period ended	
			31st July 2021	31st March 2021
<b>A.</b>	<b>Revenue:</b>			
	Revenue from Operations	<b>B.1</b>	11.41	0.00
	Other income	<b>B.2</b>	0.00	0.00
	<b>Total revenue</b>		<b>11.41</b>	<b>0.00</b>
<b>B.</b>	<b>Expenses:</b>			
	Cost of Material Consumed	<b>B.3</b>	14.17	-
	Purchase of Stock in Trade		0.00	0.00
	Change in Inventories of Finished Goods, WIP & Stock in Trade	<b>B.4</b>	(6.66)	-
	Employees Benefit Expenses	<b>B.5</b>	0.20	0.00
	Finance costs		-	-
	Depreciation and Amortization	<b>B.6</b>	0.32	0.00
	Other expenses	<b>B.7</b>	0.75	0.00
	<b>Total Expenses</b>		<b>8.79</b>	<b>0.00</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>2.62</b>	<b>0.00</b>
	Exceptional Items		-	-
	<b>Profit before extraordinary items and tax</b>		<b>2.62</b>	<b>0.00</b>
	Extraordinary items		-	-
	<b>Profit before tax</b>		<b>2.62</b>	<b>0.00</b>
	<b>Tax expense :</b>			
	Current tax		0.69	-
	Deferred Tax	<b>B.8</b>	(0.03)	-
	Profit (Loss) for the period from continuing operations		<b>1.96</b>	-
	<b>Earning per equity share in Rs.:</b>			
	(1) Basic		0.14	-
	(2) Diluted		0.14	-

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, A & C.

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**
**(Rs in Lakhs)**

Particulars	For the period ended	
	31st July 2021	31st March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	2.62	-
Adjustments for:		
Depreciation	0.32	-
<b>Operating profit before working capital changes</b>	<b>2.95</b>	<b>-</b>
Movements in working capital :		
(Increase)/Decrease in Inventories	(12.70)	-
(Increase)/Decrease in Trade Receivables	(17.99)	-
(Increase)/Decrease in Short Term Loans & Advances	(4.79)	-
(Increase)/Decrease in Other Current Assets	(4.11)	-
Increase/(Decrease) in Trade Payables	14.58	-
Increase/(Decrease) in Other Current Liabilities	1.32	-
<b>Cash generated from operations</b>	<b>(20.75)</b>	<b>-</b>
Income tax paid during the year	-	-
<b>Net cash from operating activities (A)</b>	<b>(20.75)</b>	<b>-</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4.39)	-
(Increase)/Decrease in Long Term Loans & Advances	(5.61)	-
Increase in Other Non-Current Assets	(8.54)	-
<b>Net cash from investing activities (B)</b>	<b>(18.54)</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	17.00	1.00
Increase/(Decrease) in Short Term Borrowings	17.02	-
Proceeds from Securities Premium	153.00	-
<b>Net cash from financing activities (C)</b>	<b>187.02</b>	<b>1.00</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>147.73</b>	<b>1.00</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1.00</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>148.73</b>	<b>1.00</b>

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure C, A & B.



## ANNEXURE – D

### SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS RESTATED

#### A) COMPANY INFORMATION

Our Company was originally incorporated on March 08, 2021 as “Shashwat Furnishing Solutions Private Limited” vide Registration No. 073899/2020-21 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, our Company has acquired the entire business with the assets and liabilities of M/s Handicrafts Village, sole proprietorship concern of our Promoter Mr. Hitesh Karnawat vide Business Transfer Agreement dated June 01, 2021. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Shashwat Furnishing Solutions Private Limited” to “Shashwat Furnishing Solutions Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on August 12, 2021. and a fresh certificate of incorporation dated August 27, 2021 issued by the Registrar of Companies, Jaipur. The Corporate Identity Number of our Company is U20299RJ2021PLC073899.

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. Accounting Convention

The financial statements are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

##### 2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

##### 3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

##### 4. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

## **5. Depreciation**

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

## **6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## **7. Inventories**

Inventories consist of Raw Material & Finished Goods are valued at Cost or Net Realizable Value, whichever is lower.

## **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

## **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post-employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

## **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## **12. Foreign Currency Translation**

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are restated at closing rate..
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

### 13. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

#### B) NOTES ON ACCOUNTS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

#### 2. Segment Reporting

The Company at present is engaged in the trading of Handicrafts & Wooden Items which constitutes a single business segment. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

#### 3. Post-Employment Benefits:

Since the company has not completed 5 years from its incorporation so that provision for gratuity has not been valued.

#### 4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on July 31, 2021 & March 31, 2021 except as mentioned in Annexure-H, for any of the years covered by the statements.

#### 5. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – J of the enclosed financial statements.

#### 6. Accounting For Deferred Taxes on Income (AS 22)

(Rs in Lakhs)

Particulars	For The Stub Period Ended	For The Period Ended
	on July 31, 2021	on March 31, 2021
WDV as per Companies Act, 2013 (A)	4.07	-
WDV as per Income tax Act, 1961 (B)	4.18	0.00
Difference in WDV (A-B)	(0.11)	-
Deferred Tax (Asset)/ Liability '(C)	(0.03)	-
Resated Closing Balance of Deferred Tax (Asset)/ Liability (C+D)	(0.03)	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.03)	-

#### 7. MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

##### a) Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses 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 regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

**b) Material Adjustments:**

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

(Rs in Lakhs)

Particulars	For the Period ended 31 <sup>st</sup> July 2021	For the Period ended 31 <sup>st</sup> March 2021
(A) Net Profits as per audited financial statements (A)	1.96	--
Add/(Less) : Adjustments to the Audited Profit -	--	--
<b>Total Adjustments (B)</b>	--	--
<b>Restated Profit/ (Loss) (A+B)</b>	<b>1.96</b>	<b>--</b>

**Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

(Rs in Lakhs)

Particulars	For the Period ended 31 <sup>st</sup> July 2021	For the Period ended 31 <sup>st</sup> March 2021
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	172.96	1.00
Add/(Less): Adjustments on account of change in Profit/Loss	-	-
Total Adjustments (B)	-	-
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	<b>172.96</b>	<b>1.00</b>

**8. Trade Payable Ageing Summary**

As on 31.07.2021:

(Rs in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
MSME	0.27	--	--	--	0.27
Others	14.31	--	--	--	14.31
Disputed dues - MSME	--	--	--	--	--
Disputed dues - Others	--	--	--	--	--

As on 31.03.2021 :

(Rs in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
MSME	--	--	--	--	--
Others	--	--	--	--	--
Disputed dues - MSME	--	--	--	--	--
Disputed dues - Others	--	--	--	--	--

**9. Trade Receivable Ageing Summary**

As on 31.07.2021

(Rs in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	17.99	--	--	--	--	17.99
(ii) Undisputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--

(iii) Disputed Trade Receivables considered good	--	--	--	--		--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--		--

As on 31.03.2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	--	--	--	--		--
(ii) Undisputed Trade Receivables- Considered Doubtful	--	--	--	--		--
(iii) Disputed Trade Receivables considered good	--	--	--	--		--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--		--

#### 10. Accounting Ratios

Particulars	31 July 2021	31 March 2021
Current Ratio	5.53	-
Debt Equity Ratio	0.19	-
Debt Service coverage Ratio	0.15	-
Return on Equity Ratio	0.02	-
Inventory Turnover Ratio	1.18	-
Trade Receivable Turnover Ratio	1.27	-
Net Capital Turnover Ratio	0.07	-
Net Profit Ratio	0.17	-
Return on Capital Employed	0.02	-
Return on Investment Ratio	0.01	-

**ANNEXURE- A.1: RESTATED STATEMENT OF SHARE CAPITAL**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
<b>Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
50,00,000 Equity Shares of Rs. 10 Each (Previous Year 10,000 Equity Shares of Rs. 10 Each)	500.00	1.00
<b>Total</b>	<b>500.00</b>	<b>1.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>		
15,30,000 Equity Shares of Rs. 10 Each (Previous Year 10,000 Equity Shares of Rs. 10 Each)	153.00	1.00
<b>Total</b>	<b>153.00</b>	<b>1.00</b>

**Notes:**

**A.1.1 Right, Preferences and Restrictions attached to Shares :**

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

**A.1.2 Restated Statement of Reconciliation of Number of Equity Shares**

Particulars	As At 31st July	As At 31st March
	2021	2021
<b>Equity Shares</b>		
Shares outstanding at the beginning of the Period	10,000	-
Shares issued during the Period	15,20,000	10,000
Share outstanding at the end of the Period	<b>15,30,000</b>	<b>10,000</b>

**A.1.3 Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	31-Jul-21		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding
Hitesh Karnawat	1372750	89.72%	9000	90%
Lalit Ghewarchand Karnawat	72250	4.72%	1000	10%
Mayuri Karnawat	85000	5.56%	-	-

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

**A.1.4 Shareholding of Promoters**

Name of Shareholder	31-Jul-21		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding
Hitesh Karnawat	1372750	89.72%	9000	90.00%

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.



**ANNEXURE – A.2: RESTATED STATEMENT OF RESERVES AND SURPLUS**
**(Rs in Lakhs)**

Particulars	As At 31st July	As At 31st March
	2021	2021
<b>Reserves &amp; Surplus</b>		
<b>1. Securities Premium</b>		
Balance as at the beginning of the Period	-	-
Addition during the Period	153.00	
Less: Issue of Bonus Share	135.00	
Balance as at the end of the Period	<b>18.00</b>	-
<b>Balance in Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the Period	-	
Add: Profit for the Period	1.96	
Less: Bonus Shares Issued during the Period		
Balance as at the end of the Period	<b>1.96</b>	-
<b>Grand Total</b>	<b>19.96</b>	-
Note A.2.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, A, B, C.		

**ANNEXURE – A.3: RESTATED STATEMENT OF SHORT-TERM BORROWINGS**
**(Rs in Lakhs)**

Particulars	As At 31st July	As At 31st March
	2021	2021
<b>Secured:</b>		
From Bank:	-	-
<b>Unsecured:</b>		
From Directors & their Relatives	17.02	
<b>Total</b>	<b>17.02</b>	-
Note A.3.1: There were no re-schedulement or default in the repayment of loans taken by the Company.		
Note A.3.2: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, A, B, C.		

**ANNEXURE – A.3.2: STATEMENT OF PRINCIPAL TERMS OF UNSECURED LOANS**
**(Rs in Lakhs)**

Name of Lender	Purpose	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
				31.07.2021
Hitesh Karnawat	Business	On Demand	NIL	13.50
Sushila Karnawat	Business	On Demand	NIL	3.52
<b>Total</b>				<b>17.02</b>
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.				

**ANNEXURE – A.4: RESTATED STATEMENT OF TRADE PAYABLES**
**(Rs in Lakhs)**

Particulars	As At 31st July	As At 31st March
	2021	2021
Trade Payables due to		
- Micro and Small Enterprises	0.27	
<b>- Others</b>		
- Promotor/Promotor Group		-
- Others	14.31	-

<b>Total</b>	<b>14.58</b>	-
Note A.4.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, A, B, C.		

**ANNEXURE – A.5 : RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
Statutory Dues Payable	0.14	
Advance Received from Customers	0.98	
Director Remuneration Payable	0.20	
<b>Grand Total</b>	<b>1.32</b>	-

Note A.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.6: RESTATED STATEMENT OF SHORT TERM PROVISIONS**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
Provision for Income Tax	0.69	
<b>Grand Total</b>	<b>0.69</b>	-

Note A.6.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.7: RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

(Rs in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2021	Additions	Deletion/Sale	Balance as at 31 July 2021	Balance as at 01st Apr 2021	Depreciation charge for the period	Deletion/Sale/Loss	Balance as at 31 July 2021	Balance as at 01st Apr 2021	Balance as at 31 July 2021	
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	
<b>A. Property Plant &amp; Equipment</b>											
Building	-	1.22	-	1.22	-	0.02	-	0.02	-	1.20	
Air Conditioner	-	0.22	-	0.22	-	0.02	-	0.02	-	0.20	
Compressor	-	0.51	-	0.51	-	0.02	-	0.02	-	0.49	
Mobile	-	1.08	-	1.08	-	0.11	-	0.11	-	0.97	
Furniture & Fixtures	-	0.43	-	0.43	-	0.03	-	0.03	-	0.41	
Computer	-	0.30	-	0.30	-	0.05	-	0.05	-	0.25	
Camera	-	0.12	-	0.12	-	0.02	-	0.02	-	0.11	
Cooler	-	0.12	-	0.12	-	0.02	-	0.02	-	0.10	
LED TV	-	0.37	-	0.37	-	0.04	-	0.04	-	0.33	

UPS	-	0.02	-	0.02	-	0.00	-	0.00	-	0.01
<b>Grand Total</b>	-	<b>4.39</b>	-	<b>4.39</b>	-	<b>0.32</b>	-	<b>0.32</b>	-	<b>4.07</b>

**ANNEXURE – A.8: RESTATED STATEMENT OF DEFERRED TAX ASSETS/(LIABILITIES)**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
<b>Deferred Tax Assets</b>		
Related to Fixed Assets	0.03	-
<b>Total (a)</b>	<b>0.03</b>	<b>-</b>
<b>Deferred Tax Liability</b>		
Related to Fixed Assets		
<b>Total (b)</b>	<b>0.00</b>	<b>0.00</b>
<b>Net deferred tax asset/(liability){(a)-(b)}</b>	<b>0.03</b>	<b>0.00</b>

**Note I.8.1:** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – A.9: RESTATED STATEMENT OF LONG TERM LOANS & ADVANCES**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
Security Deposits	5.61	
<b>Grand Total</b>	<b>5.61</b>	<b>-</b>

**Note A.9.1 :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.10: RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
Prepaid IPO Expenses	8.54	-
<b>Grand Total</b>	<b>8.54</b>	<b>-</b>

**Note A.10.1:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.11: RESTATED STATEMENT OF INVENTORIES**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
Closing Stock of Raw Material	6.04	
Closing Stock of Finished Goods	6.66	
<b>Grand Total</b>	<b>12.70</b>	<b>-</b>

**Note A.11.1 :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.12: RESTATED STATEMENT OF TRADE RECEIVABLES**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>		

From Directors/Promoter/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-
Others		
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>		
From Directors/Promoter/Promoter Group/Associates/ Relatives of Directors/ Group Companies.		
Others	17.99	
<b>Grand Total</b>	<b>17.99</b>	<b>-</b>
Note A.12.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.		

**ANNEXURE – A.13: RESTATED STATEMENT OF CASH AND BANK BALANCES**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
<u>Cash &amp; Cash Equivalents</u>		
Cash in hand	8.86	
<u>Balances with Banks:</u>		
In Current Accounts	139.87	
Cheques in Hand		1.00
<b>Grand Total</b>	<b>148.73</b>	<b>1.00</b>
Note A.13.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, A, B,C.		

**ANNEXURE – A.14: RESTATED STATEMENT OF SHORT-TERM LOANS & ADVANCES**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
Loans & Advances to Related Parties	4.79	
<b>Grand Total</b>	<b>4.79</b>	<b>-</b>
Note A.14.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.		

**ANNEXURE – A.15: RESTATED STATEMENT OF OTHER CURRENT ASSETS**

(Rs in Lakhs)

Particulars	As At 31st July	As At 31st March
	2021	2021
Other Current Assets	4.11	
<b>Grand Total</b>	<b>4.11</b>	<b>-</b>
Note A.15.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.		

**ANNEXURE – B.1: RESTATED STATEMENT OF REVENUE FROM OPERATIONS**

(Rs in Lakhs)

Particulars	For The Stub Period Ended	For The Period Ended
	on July 31, 2021	on March 31, 2021
<b>Turnover from Sales of Products</b>		
Domestic Sales	11.41	0.00
<b>Revenue from operations</b>	<b>11.41</b>	<b>0.00</b>

Note B.1.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.2: RESTATED STATEMENT OF OTHER INCOME**

(Rs in Lakhs)

Particulars	For The Stub Period Ended	For The Period Ended
	on July 31, 2021	on March 31, 2021
Other Income	-	-

Note B.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.3: RESTATED STATEMENT OF COST OF MATERIAL CONSUMED**

(Rs in Lakhs)

Particulars	For The Stub Period Ended	For The Period Ended
	on July 31, 2021	on March 31, 2021
Opening Stock of Raw Material	-	
Add: Purchase of Stock in Trade	20.21	
Less : Closing Stock of Raw Material	6.04	
<b>Grand Total</b>	<b>14.17</b>	-

Note B.3.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.4: RESTATED STATEMENT OF CHANGE IN INVENTORY OF WIP,  
FINISHED GOODS & STOCK IN TRADE**

(Rs in Lakhs)

Particulars	For The Stub Period Ended	For The Period Ended
	on July 31 , 2021	on March 31 , 2021
Opening Stock of WIP, Finished Goods & Stock in Trade	-	
Closing Stock of WIP, Finished Goods & Stock in Trade	6.66	
<b>Net Change in Inventory of WIP, Finished goods &amp; Stock in Trade</b>	<b>(6.66)</b>	-

Note B.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.5: RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES**

(Rs in Lakhs)

Particulars	For The Stub Period Ended	For The Period Ended
	on July 31 , 2021	on March 31 , 2021
Directory Remuneration	0.20	
Salary Expenses		
<b>Grand Total</b>	<b>0.20</b>	-

Note B.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.6: RESTATED STATEMENT OF DEPRECIATION**

(Rs in Lakhs)

Particulars	For The Stub Period Ended	For The Period Ended
	on July 31 , 2021	on March 31 , 2021
Depreiciation Expenses	0.32	-
<b>Grand Total</b>	<b>0.32</b>	<b>-</b>

Note B.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.7: RESTATED STATEMENT OF OTHER EXPENSES**

(Rs in Lakhs)

Particulars	For The Stub Period Ended	For The Period Ended
	on July 31 , 2021	on March 31 , 2021
Freight	0.01	
Legal & Professional Consultancy Charges	0.52	
Sales Promotion	0.22	
Other Misc. Expenses	0.01	
<b>Grand Total</b>	<b>0.75</b>	<b>-</b>

Note B.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.8: RESTATED STATEMENT OF DEFERRED TAX (ASSETS)/LIABILITIES**

(Rs in Lakhs)

Particulars	For The Stub Period Ended	For The Period Ended
	on July 31, 2021	on March 31, 2021
WDV as per Companies Act, 2013 (A)	4.07	-
WDV as per Income tax Act, 1961 (B)	4.18	0.00
Difference in WDV (A-B)	(0.11)	-
Deferred Tax (Asset)/ Liability '(C)	(0.03)	-
Restated Closing Balance of Deferred Tax (Asset)/ Liability (C+D)	(0.03)	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.03)	-

**Note B.8.1:** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – E: STANDALONE STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT**

**1. Material Regrouping:**

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses 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 regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

**2. Material Adjustments:**

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(Rs in Lakhs)

Particulars	For The Period Ended	
	July 31, 2021	March 31, 2021
(A) Net Profits as per audited financial statements (A)	1.96	-



Add/(Less) : Adjustments in Restated Financial Statements	-	-
Total Adjustments (B)	-	-
Restated Profit/ (Loss) (A+B)	1.96	-

**Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

(Rs in Lakhs)

Particulars	For The Period Ended	
	July 31, 2021	March 31, 2021
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	172.96	1.00
Add/(Less) : Adjustments on account of change in Profit/Loss	-	-
Total Adjustments (B)	-	-
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	172.96	1.00

**ANNEXURE - F: RESTATED STANDALONE STATEMENT OF TAX SHELTERS**

(Rs in Lakhs)

Sr. No	Particulars	As at July 31	As at March 31
		2021	2021
<b>A</b>	<b>Restated Profit before tax</b>	2.62	-
	Short Term Capital Gain at special rate		-
	Normal Corporate Tax Rates (%)	25.17%	0.00%
	Short Term Capital Gain at special rate		
	MAT Tax Rates (%)	15.60%	0.00%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>		
	Tax on normal profits	0.66	-
	Short Term Capital Gain at special rate		
	<b>Total</b>	<b>0.66</b>	<b>-</b>
	<b>Adjustments:</b>		
<b>C</b>	<b>Permanent Differences</b>		
	Deduction allowed under Income Tax Act	-	-
	Exempt Income	-	-
	Allowance of Expenses under the Income Tax Act Section 35	-	-
	Disallowance of Income under the Income Tax Act	-	-
	Disallowance of Expenses under the Income Tax Act	-	-
	<b>Total Permanent Differences</b>	<b>-</b>	<b>-</b>
<b>D</b>	<b>Timing Differences</b>		
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	0.11	-
	<b>Total Timing Differences</b>	<b>0.11</b>	<b>-</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>0.11</b>	<b>-</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	0.03	-
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>2.73</b>	<b>-</b>
	Taxable Income/ (Loss) as per MAT	2.62	-
<b>I</b>	<b>Income Tax as per normal provision</b>	0.69	-

<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	0.41	-
	<b>Net Tax Expenses (Higher of I,J)</b>	0.69	-
<b>K</b>	Relief u/s 90/91		
	<b>Total Current Tax Expenses</b>	<b>0.69</b>	-
<b>L</b>	Adjustment for Interest on income tax/ others		
	<b>Total Current Tax Expenses</b>	<b>0.69</b>	-

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

#### ANNEXURE -G: RESTATED STANDALONE STATEMENT OF CAPITALISATION

(Rs in Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	-	-
B	Short Term Debt	17.02	17.02
C	<b>Total Debt</b>	<b>17.02</b>	<b>17.02</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital#	153.00	**
	Reserves and Surplus	19.96	**
D	<b>Total Equity</b>	<b>172.96</b>	-
	Long Term Debt/ Equity Ratio (A/D)	-	-
	Total Debt/ Equity Ratio (C/D)	0.10	-
Notes :			
* The amounts are considered as outstanding as on 31.07.2021			
** The Post Issue figures is not available as the Issue Price is yet to be finalised.			

#### ANNEXURE - H: RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES

(Rs in Lakhs)

Particulars	As at 31st July	As at 31st March
	2021	2021
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	0.00	0.00
2. Capital Commitment	0.00	0.00
3. Income Tax Demand	0.00	0.00
4. TDS Demands	0.00	0.00
5. ESIC Demand	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

#### ANNEXURE - I: RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31st July	As at 31st March
	2021	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	1.96	-
<b>EBITDA</b>	2.95	-
<b>Actual No. of Equity Shares outstanding at the end of the period</b>	15,30,000	10,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	13,78,331	10,000
Net Worth	164.43	1.00
Current Assets	188.33	1.00
Current Liabilities	33.61	0.00

<b>Earnings Per Share</b>		
Basic EPS (Pre Bonus)	0.13	-
Eps (Post Bonus)	0.14	0.00
<b>Return on Net Worth (%)</b>	1.19%	0.00%
<b>Net Asset Value Per Share</b>	10.75	10.00
<b>Current Ratio</b>	5.60	0.00
<b>EBITDA</b>	2.95	-
Nominal Value per Equity share(Rs.)	10	10

\* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.

**Notes:**

- 1) The ratios have been calculated as below:
  - a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
  - b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
  - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
  - d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor.
- 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)
- 5) The figures disclosed above are based on the Restated Financial Statements of the Company.

**ANNEXURE - J(i) : RESTATED STANDALONE STATEMENT OF RELATED PARTY DISCLOSURES**

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.

**i. List of Related Parties and Nature of Relationship:**

Particulars	Name of Related Parties
<b>1. Other Related Parties:</b>	
a) Key Management Personnel's	Hitesh Karnawat
	Lalit Ghewarchand Karnawat
	Mayuri Karnawat
b) Relative of Key Managerial Personnel	Sushila Karnawat
	Piyush Karnawat
	Pehel Karnawat
	Jinay Karnawat
<b>Note 1 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.	

**ANNEXURE - J(ii) - Transactions carried out with related parties referred to in (1) above, in ordinary course of business:**

Nature of Transactions	Name of Related Parties	As at 31st July	As at 31st March
		2021	2021
1. Director Remuneration	Hitesh Karnawat	0.20	-
	<b>Total</b>	<b>0.20</b>	<b>-</b>

2. Unsecured Loans	<b>Hitesh Karnawat</b>		
	Opening Balance	-	-
	Loan Received during the year	44.17	-
	Loan Paid during the year	30.67	-
	<b>Closing Balance</b>	<b>13.50</b>	-
	<b>Sushila Karnawat</b>		
	Opening Balance	-	-
	Loan Received during the year	3.52	-
	Loan Paid during the year	-	-
3. Short Term Loans & Advances Granted*	Jinay Karnawat	0.29	
	Lalit Ghewarchand Karnawat	2.90	
	Pehel Karnawat	0.34	
	Piyush Karnawat	1.26	

\*Balances taken over on account of business acquisition of proprietorship Firm vide agreement dated 01.06.2021

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

#### ANNEXURE - J(iii) - Outstanding Balance as at the end of the year

	Name of Related Parties	31.07.2021	31.03.2021
Payables	Hitesh Karnawat	13.70	-
	Sushila Karnawat	3.52	-
Receivables*	Jinay Karnawat	0.29	-
	Lalit Ghewarchand Karnawat	2.90	-
	Pehel Karnawat	0.34	-
	Piyush Karnawat	1.26	-

\*Balances taken over on account of business acquisition of proprietorship Firm vide agreement dated 01.06.2021

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

### OTHER FINANCIAL INFORMATION

(Rs in Lakhs)

Particulars	As at 31st July	As at 31st March
	2021	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	1.96	-
<b>EBITDA</b>	2.95	-
<b>Actual No. of Equity Shares outstanding at the end of the period</b>	15,30,000	10,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	13,78,331	10,000
Net Worth	164.43	1.00
Current Assets	188.33	1.00
Current Liabilities	33.61	0.00
<b>Earnings Per Share</b>		
Basic EPS (Pre-Bonus)	0.13	-
Eps (Post Bonus)	0.14	0.00
<b>Return on Net Worth (%)</b>	1.19%	0.00%
<b>Net Asset Value Per Share</b>	10.75	10.00
<b>Current Ratio</b>	5.60	0.00
<b>EBITDA</b>	2.95	-
Nominal Value per Equity share (Rs.)	10	10

\* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.

**Notes :**

- 1) The ratios have been calculated as below:
  - a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
  - b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
  - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
  - d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.
  
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor.
  
- 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
  
- 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)
  
- 5) The figures disclosed above are based on the Restated Financial Statements of the Company.

## MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page 20 and "Forward Looking Statements" beginning on page 14, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the Period ended July 31, 2021 and year ended March 31, 2021 including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of our Company" on Page No. 121 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements*

### **Overview**

Our company is engaged in processing of semi-finished furniture products into finished products and manufacturing through job work of furniture and handicraft items. Our company specialize in developing a qualitative range of Industrial Furniture and Restaurant and Cafe Furniture, Garden and Outdoor Furniture Vintage Furniture, Mirror Frames, Wall clocks and various other decoration & handicrafts objects. We are instrumental in presenting a wide assortment of exclusively designed products, such as Restaurant Furniture, Cafe Furniture, and Metal Furniture. Our expert professionals are devoted to developing an exclusive product range capable to gain a nationwide appreciation for its remarkable finish, unique designs, trendy colour combinations, flawless detailing, unbreakable quality and higher durability.

Our Company was incorporated as a private limited company under the Companies Act, 2013 and registered with the Registrar of Companies, Central Registration Centre with the name "Shashwat Furnishing Solutions Private Limited" pursuant to a certificate of incorporation dated March 08, 2021. Subsequently, our Company has acquired the entire business with the assets and liabilities of M/s Handicrafts Village, sole proprietorship concern of Promoter Mr. Hitesh Karnawat vide Business Transfer Agreement dated June 01, 2021. Further, our Company was converted into Public Limited Company and consequently name of company was changed from "Shashwat Furnishing Solutions Private Limited" to "Shashwat Furnishing Solutions Limited" vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on August 12, 2021 and a fresh certificate of incorporation dated August 27, 2021 issued by the Registrar of Companies, Jaipur. The Corporate Identity Number of our Company is U20299RJ2021PLC073899.

Our Company's proficiency lies in understanding the specific requirement of our customers and based on which we place the order of our products to manufacturer having requisite manufacturing facilities. We source our products from reliable manufacturers of the market. We purchase the order in semi-finished condition and then process the same by finishing, assembling and repairing turning them into finished products. Also we purchase raw material and manufacture through job work from third party. Our company make further sales to wholesalers, retailers and customers through online platforms such as Indiamart, Trade India, Exporter India etc.

Our Promoter Mr. Hitesh Karnawat who has been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning. We have a strong management team with significant industry experience. Our Chairman and Managing Director, Mr. Hitesh Karnawat has 07 years of experience in this industry. The vast experience of the Promoter has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoter and senior management team and their experience in the industry in which our Company operates.

Our Company operates from its registered office situated at 121, Mahaveer Nagar, Jain Colony, Jodhpur- 342001, Rajasthan, India, along with warehouse at Plot No 18-19, Moti Nagar, Sangariya, Khasra Number 184, Jodhpur – 342013, Rajasthan, India and processing unit at G/30 RICCO Industrial Area, Boranada Industrial Park, Phase I Jodhpur - 342012, Rajasthan, India

We are committed to gain a distinguished repute and as an emerging company, our objectives towards differentiation are further strengthened by our rigorous research and analysis activities. We have implemented advanced technology that equips us to design and develop decorative items with various processes. Our products are cherished by the corporate sector and widely utilized for



gifting and decorative purpose in the hospitality industry. We owe our rapid growth to the allied support of leading vendors who underpin our vigilant approach to source premium quality products.

## **FINANCIAL SNAPSHOT:-**

Financial Snapshot of our Company as per Restated Standalone Financial Statements is as under: -

**(Amount in Lakhs)**

Particulars	For the stub period ended July 31, 2021	For the year ended March 31, 2021
Revenue from Operations	11.41	-
Total Revenue	11.41	-
EBITDA	2.95	-
PAT	1.96	-
PAT Margin (in %)	17.18	-

*Note:-*

3. *EBITDA Margin = (Restated Profit before tax + finance cost + depreciation and amortization expenses)/ Total Revenue*

4. *PAT Margin = PAT/ Total Revenue*

## **OUR STRENGTHS**

We believe the following competitive strengths contribute to our success and position us well for future growth:-

### ➤ ***Experienced Management Team:***

Our management team is experienced in the industry in which we are operating and has been responsible for the growth of our operations and financial performance. Our Promoter Mr. Hitesh Karnawat leads the company with his vision. They are having an adequate experience in the line of the business undertaken by the Company and look after the strategic as well as day to day business operations. The strength and entrepreneurial vision of our Promoter and management have been instrumental in driving our growth and implementing our strategies. We believe that the experience of our management team and it's in depth understanding of the furniture market in the region will enable us to continue to take advantage of both current and future market opportunities.

### ➤ ***Existing Supplier Relationship***

Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. We, being a small and medium size organisation, rely on personal relationships with suppliers. Our company enjoys existing relationship with our suppliers. Further we also leverage the past experience of our management in maintaining effective supplier relationship.

### ➤ ***Scalable Business Model***

We believe that our business model is scalable. Our business model is customer centric, and requires optimum utilization of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets both domestic and international by exploring customer needs and by maintaining the consistent quality output.

### ➤ ***Quality Assurance and Standards***

We believe in providing our customers the best quality products. Our ability to maintain and improve the products we offer to customers enables us to generate stable revenue and minimize customer complaints. We are very particular from usage of right quality of material for production. Our dedicated efforts towards the quality of material have helped us gain a competitive advantage over others. We believe that our quality production has earned us a goodwill from our customers.

## **OUR STRATEGIES**

We envisage long term growth by building long term relations with customers. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing projects with specific emphasis on the following factors as business and growth strategy:

➤ ***Leveraging our Market skills and Relationships***

Our Company believes that our business is a by-product of relationships. This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

➤ ***Improving functional efficiencies***

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

➤ ***Enhance customer base and to establish long-term relationships***

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further our company believes in maintaining long term relationship with our customers in terms of increased sales. We aim to achieve this by value adding value to our customers through innovation, quality assurance and timely delivery of our products.

➤ ***To build-up a professional organization***

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

➤ ***Expand geographical reach***

We intend to expand our presence by identifying markets where we can provide cost-effective and quality products to prospective customers. Further, we seek to capitalize on our existing experience, established contacts with customers and manufactures.

**OUR LOCATION:**

<b>Registered Office</b>	121, Mahaveer Nagar, Jain Colony, Jodhpur- 342001, Rajasthan, India.
<b>Warehouse</b>	Plot No 18-19, Moti Nagar, Sangariya, Khasra Number 184, Jodhpur – 342013, Rajasthan, India
<b>Processing unit</b>	G/30 RICCO Industrial Area, Boranada Industrial Park, Phase I Jodhpur - 342012, Rajasthan, India

**OUR PRODUCTS:**

Our company deals in various furniture products which are mentioned below:

1. Restaurant and Cafe Furniture – includes Chairs, Dinning Set, Dining table, Stools and Canteen Furniture
2. Bar Furniture
3. Garden & Outdoor Furniture
4. Vintage and Antique Furniture

## OUR BUSINESS PROCESS:

### 1. Material Handling:

The first step in our business process is material handling i.e., procurement of semi-finished products from manufacturers. We source our products from reliable manufacturers of the market. Material Handling is loading, moving and unloading of semi-finished goods from one place to another. Two aspects are important in material handling which are safety and cost. We purchase semi-finished materials from our manufacturers depending upon the customer's requirement and their needs.

### 2. Assembling/ Gluing:

This is the stage where the work is done through a variety of technique according to its functions & types. Assembly involves the fitting together of semi-finished parts into a complete unit. In our company, component parts are first assembled into a piece of furniture and later finished. The assembly operation is performed to put a piece of furniture together such that it stays together and gives good service over a reasonable period of time.

### 3. Rubbing and Sanding:

Rubbing is the cutting down with sandpaper of the top coat to make it completely level. Sanding is carried out before finishing to remove defects from the wood surface that will affect the appearance and performance of finishes that are subsequently applied to the wood. These defects include cutter marks and burns, scratches and indentations etc. Sanding should not be used to eliminate larger defects such as gouges and various forms of discoloration. Other techniques are used to remove these defects.

### 4. Finishing:

The most important feature of the furniture which influences the prospective buyer is its appearance. The purpose of finishing is threefold i.e., Appearance, Smoothness and Protection. There are various methods through which finishing is done like brushing, spraying, pressing, dipping, printing etc. While choosing the desired method, there are several considerations like desired shape & appearance, cost of finishing material & labour etc. There are different types of finishes for wood furniture which are detailed below:

- **Surface Coatings:** These are clear, built-up, highly durable finishes that are virtually maintenance-free. Examples of surface coatings are varnish, shellac and lacquer. Surface coating finishes will add depth and warmth to the appearance of the woodwork, while enhancing the colour and grain.
- **Natural Finishes:** These are clear finishes that are used to add lustre, warmth, and character to the wood while protecting it from wear and tear.
- **Pigmented Finishes:** These are not transparent, and basically resembles paint. Black lacquer is a pigmented finish. Pigmented finishes can also be distressed and/or glazed.
- **Wax Polish:** This is the ultimate rich-looking and labor intensive finish that seals and protects the wood. It is used to rejuvenate and old finish or can be used as a finish itself. Surprising to most, a professionally applied wax finish requires little maintenance. It can also be applied over a penetrating finish, to reduce the amount of maintenance that would typically be required.
- **Staining:** It is used to enhance the true color of the furniture or to achieve uniformity when the wood has an inconsistent appearance. It can also be used to change the natural color of the wood to a color more in keeping with the owner's tastes.
- **Glazing and Toning:** These are techniques used to highlight the details in the woodwork or to unify and add depth to the color. These two techniques can also be used to give "age" to the finish. The process is one of applying transparent pigmented liquid over or between coats of finish.
- **Pickling and Liming:** These are traditional finishing processes used to accentuate the wood grain. The highlighting is achieved by using two contrasting colors: a base color and another color rubbed into the grain.
- **Bleaching:** It is used to lighten the natural color of wood or to remove discoloration caused by moisture. Bleaching can also be used to achieve the base color in preparation for pickling or liming. It is not used to remove stain or dyes.
- **Distressing:** It is a technique that can be used to give age and interest to the finish. This can be done any number of ways, including:

- d) sanding the finish away from areas that would have been worn over the years
- e) rubbing the finish away with a chemical
- f) striking the surface with a mix of objects that will randomly dent the finish.

#### 5. Inspection and Packing:

Furniture inspections reduce risks, improve the quality of the furniture and helps to manage the quantity of semi-finished used to process the finished product. Furniture has to meet the correct quality, safety and durability requirements. A high-quality inspection process ensures the products are checked for against all specifications to ensure that the customer's specific requirements are met. Enabling corrections to be actioned and implemented before completion, reduces the risk of production failure and helps to verify the material and finishing quality and therefore reduces the risk of after-sale services due to production defects.

After inspection, the products are packed for dispatching. We deliver products in packaging that offer the ultimate protection for large, bulky or heavy products. We provide fit-for-purpose, cost efficient and sustainable packaging that combine maximum protection with minimised waste.

#### 6. Warehousing and Shipping:

The last step in our process is warehousing and shipping. Once the final product is ready then it is either sent to warehouse or shipped to the customer's address. As our business is engaged in E-commerce also, it is imperative to store the products in warehouse for safe storage until an order is dispatched.

#### PLANT & MACHINERY:

Since we are primarily in the business of semi-finished processing, we do not require any major Plant & Machinery for processing semi-finished into finished products.

#### CAPACITY AND CAPACITY UTILIZATION:

Our business includes conversion of semi-finished goods into finished products. Hence, capacity and capacity utilization is not applicable to us.

#### REVENUE BREAK-UP

Activity wise break-up of our revenue as per Restated Financial Information is as under:

(Amount in Lakhs)

Particulars	For the stub period ended July 31, 2021	For the year ended March 31, 2021
Domestic Sales	11.41	0.00
Other Income	0.00	0.00
<b>Total Revenue</b>	<b>11.41</b>	<b>0.00</b>

#### COLLABORATIONS/TIE UPS/ JOINT VENTURES:

As on date of this Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures except as entered into normal course of business for developments rights and construction of Projects.

#### EXPORT OBLIGATION:

Our Company does not have any export obligation as on date.

#### UTILITIES AND INFRASTRUCTURE FACILITIES: -

**Infrastructure Facilities:** Our registered office, processing unit and warehouse are well equipped with computer systems, internet connectivity, other communications equipment and other facilities, which are required for our business operations to function smoothly.

**Power:** The company have adequate power supply position from the public supply utilities.

**Water:** Water is required for human consumption at our office and adequate water sources are available from municipal water supply. The requirements are fully met at the existing premises. The Requirement of water at our processing unit and warehouse is met by local power supply.

#### **HUMAN RESOURCES:**

As on date we have 5 employees at the Registered Office including our key managerial persons. Our work processes and skilled resources together with strong management team have enabled us to successfully implement our growth plans. Further we hire labour on contract basis as per requirement in the processing unit and warehouse.

#### **SALES AND MARKETING: -**

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our promoter, Mr. Hitesh Karnawat, through their vast experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company.

#### **COMPETITION:**

We face the competition in our business from other existing traders of same products. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the products.

#### **SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST FINANCIAL YEAR: -**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Draft Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. Our Company was converted into Public Limited Company vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on August 12, 2021 and a fresh certificate of incorporation dated August 27, 2021 issued by the Registrar of Companies, Jaipur.
2. Our Company has made alteration in the object clause of Memorandum of Association of our Company by inserting clauses vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on August 30, 2021 and subsequently received Certificate of Registration of the Special Resolution Confirming Alteration of Object clause dated September 03, 2021 by Registrar of Companies, Jaipur.
3. Our Company has passed a Board Resolution for Initial Public Officer in Board Meeting held on September 01, 2021 and Shareholder's Resolution in Annual General Meeting held on August 04, 2021.
4. We have changed the designation of Mr. Hitesh Karnawat as Chairman cum Managing Director and Mrs. Mayuri Karnawat and Mr. Lalit Ghewarchand Karnawat as Whole-Time Directors of the Company with effect from September 04, 2021.
5. We have appointed Non-Executive Independent Director, Mr. Adesh Bhansali, Mr. Praveen Kumar Bokariya and Mr. Neelabh Gotecha in Annual General Meeting held on September 04, 2021.
6. We have appointed Mrs. Mayuri Karnawat & Mrs. Ratika Khandelwal as Chief Financial Officer and Company Secretary respectively of the Company with effect from September 08, 2021.
7. Our Company has constituted an Audit Committee ("Audit Committee"), Nomination and Remuneration Committee and Stakeholders Relationship Committee vide Board Resolution dated September 08, 2021, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with SEBI (Listing Obligations and Disclosure 221 Requirements) Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of BSE.

#### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS: -**

Our results of operations could potentially be affected by the following factors amongst others:

1. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
2. Changes in laws and regulations relating to the sectors/areas in which we operate
3. Increased competition in our industry
4. Our ability to successfully implement our growth strategy and expansion plans;

5. Our ability to meet our further capital expenditure requirements;
6. Fluctuations in operating costs;
7. Our ability to attract and retain qualified personnel;
8. Conflict of Interest with affiliated companies, the promoter group and other related parties
9. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
10. Changes in government policies and regulatory actions that apply to or affect our business.
11. Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
12. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. The occurrence of natural disasters or calamities;
14. Our inability to maintain or enhance our brand recognition;
15. Inability to adequately protect our trademarks and
16. Changes in consumer demand.
17. Other factors beyond our control; and
18. Our ability to manage risks that arise from these factors.

### **Our Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled “Financial Information of our company” on page 121 of this Draft Prospectus.

### **Change in accounting policies in previous 5 (five) years**

Except as mentioned in chapter “Financial Information of our Company” on page no. 121, there has been no change in accounting policies since incorporation.

### **SUMMARY OF THE RESULTS OF OUR OPERATIONS**

(Rs in lakhs)

Sr. No	Particulars	For the period ended 31st July 2021	% of Total Income	For the period ended 31st March 2021	% of Total Income
<b>A.</b>	<b>Revenue:</b>				
	Revenue from Operations	11.41	100.00	-	-
	Other income	0.00	0.00	-	-
	<b>Total revenue</b>	<b>11.41</b>	<b>100.00</b>	-	-
<b>B.</b>	<b>Expenses:</b>				
	Cost of Material Consumed	14.17	124.19	-	-
	Purchase of Stock in Trade	0.00	0.00	-	-
	Change in Inventories of Finished Goods, WIP & Stock in Trade	(6.66)	(58.37)	-	-
	Employees Benefit Expenses	0.20	1.75	-	-
	Finance costs	-	0.00	-	-
	Depreciation and Amortization	0.32	2.80	-	-
	Other expenses	0.75	6.57	-	-
	<b>Total Expenses</b>	<b>8.79</b>	<b>77.04</b>	-	-
	<b>Profit before tax</b>	<b>2.62</b>	<b>22.96</b>	-	-
	<b>Tax expense :</b>				
	Current tax	0.69	6.05	-	-
	Deferred Tax	(0.03)	(0.27)	-	-
	Profit (Loss) for the period from continuing operations	<b>1.96</b>	<b>17.18</b>	-	-

### **Review of Restated Financials**

Since the company has incorporated on from March 08, 2021, so income and expenses are shown in the books of accounts of the company from the period started from March 08, 2021 to March 31, 2021 and period started from April 01, 2021 to July 31, 2021 no comparison with earlier years is applicable.



**Revenue from Sale of Product:** Revenue from operations mainly consists from Sales of Products.

**Expenses:** Company's expenses consist of Cost of Raw material consumed, change in inventories of finished goods, WIP & stock in trade, employee benefit expenses, depreciation and amortization expenses.

**Employee Benefits Expense:** Employee benefit expense includes Salaries, Director Remuneration

**Finance Costs:** Finance cost comprises interest on Indebtedness, Bank charges.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a WDV Basis as per the rates set forth in the Companies Act, 2013.

**Other Expenses:** Other expenses includes Freight, Legal & Professional Expenses, Sales promotion Expenses etc..

### **Financial Performance Highlights for the period ended 31<sup>st</sup> July 2021**

#### **Total Income:**

The company's total income which includes from Sale of Products during the stub period ended on 31<sup>st</sup> July 2021 was Rs. 11.41 Lakhs.

#### **Total Expenses:**

The total expenditure during the stub period ended on 31<sup>st</sup> July 2021 was Rs. 8.79 Lakhs. The total expenditure represents 77.04% of the total revenue. The total expenses are represented by Cost of Raw material consumed, change in inventories of finished goods, WIP & stock in trade, employee benefit expenses, depreciation and amortization expenses. The main constituent of total expenditure is Cost of Material Consumed amounting to Rs. 14.17 Lakhs.

#### **Profit/ (Loss) after tax:**

The restated net profit during the stub period ended on 31<sup>st</sup> July 2021 was Rs. 1.96 Lakhs representing 17.18% of the total revenue of the Company.

#### **Cash Flows**

(Rs in lakhs)

Particulars	For the period ended on July 31, 2021	For the Year Ended on March 31, 2021
Net Cash from Operating Activities	(20.75)	-
Net Cash from Investing Activities	(18.54)	-
Net Cash used in Financing Activities	187.02	1.00

#### ***Cash Flows from Operating Activities***

Net cash from operating activities for sub period ended on July 31, 2021 was at ₹ (20.75) lakhs as compared to the Profit Before Tax at ₹ 2.62 lakhs while for fiscal 2021 Net cash from operating activities for fiscal 2021 was at ₹ NIL. This was primarily due to adjustments against, inventories, trade receivables and trade payables.

#### ***Cash Flows from Investment Activities***

In Stub Period ended on July 31, 2021, the net cash invested in Investing Activities was ₹ (18.54) lakhs. This was mainly on account of purchase of fixed assets and Long Term Loans & Advances.

In fiscal 2020, the net cash from investing activities was ₹ NIL.

#### ***Cash Flows from Financing Activities***

In Stub Period ended on July 31, 2021, the net cash from financing activities was ₹ 187.02 lakhs. This was on account of proceeds from issuance of Equity Shares capital.

In fiscal 2020, the net cash from financing activities was ₹ 1 lakhs. This was on account of proceeds from issuance of Equity Shares capital..

## QUALITATIVE DISCLOSURE ABOUT RISKS AND RISK MANAGEMENT

1. **Raw material cost risk** - Our operations are exposed to fluctuations in the price of raw material and semi-finished goods of furniture which impact the cost and margin of our Company.
2. **Inflation Risk** - Inflationary factors such as increases in the input costs and overhead costs may adversely affect our operating results. A high rate of inflation in the future may, therefore, have an adverse effect on our ability to maintain our profit margins.
3. **Credit Risk** - We are exposed to credit risk on monies owed to us by our customers and these payments are important part of our working capital requirements. If our customers do not pay us in a timely manner as per the schedule finalised, or at all, we may have to make provisions for, or write off, such amounts as cancellation costs.
4. **Liquidity risk** - The principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. We rely on customer booking advances and unsecured loans to meet our working capital requirements. We may be exposed to liquidity risk if we do not generate enough cash flow from operations, and do not pay off our trade payables as per the agreed contractual terms.
5. **Unusual or infrequent events or transactions** - Except as described in this draft Prospectus, there have been no events or transactions to our knowledge, which in our best judgment, would be considered unusual or infrequent.
6. **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” and chapter titled “Key Regulations and Policies”, beginning on Page Nos. 20 and 91 respectively of this Prospectus, to our knowledge there are no significant economic or regulatory changes that we expect could have a material adverse effect on our results of operations.
7. **Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations** - Our business has been impacted and we expect will continue to be impacted by the trends identified above in “Management's Discussion and Analysis of Financial Condition and Results of Operations– Significant Factors Affecting Our Results of Operations and Financial Condition” and the uncertainties described in Section titled “*Risk Factors*” beginning on Page Nos. 145 and 20, respectively of this Draft Prospectus.
8. **Future relationship between Costs and Income** - Other than as described in this section and in “Risk Factors” and “Our Business” beginning on Page Nos. 20 and 81, respectively of this Draft Prospectus to the best of our knowledge, there are no factors that are expected to have a material adverse effect on the relationship between our costs and income.
9. **Total turnover in each major industry segment** - We operate in a furniture and handicraft business for our financial statements prepared in accordance with Indian GAAP.
10. **Publicly Announced New Products or Business Segments / Material increases in Revenue due to Increased Disbursements and Introduction of New Products** - We have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new products, except as disclosed in this Prospectus.
11. **Seasonality of business** - Our business is not seasonal in nature. For further details, please refer section and chapter titled “Risk Factors” and “Our Business” beginning on Page Nos. 20 and 81 respectively, of this Draft Prospectus.
12. **Competitive Conditions** - We operate in a competitive environment. For further details, please refer section and chapter titled “Risk Factors” and “Our Business” beginning on Page Nos. 20 and 81 respectively, of this Draft Prospectus.

**CAPITALISATION STATEMENT**

(Amount In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	-	-
B	Short Term Debt*	17.02	17.02
C	<b>Total Debt</b>	<b>17.02</b>	<b>17.02</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital#	153.00	**
	Reserves and Surplus	19.96	**
D	<b>Total Equity</b>	<b>172.96</b>	-
	Long Term Debt/ Equity Ratio (A/D)	-	-
	Total Debt/ Equity Ratio (C/D)	0.10	-
<b>Notes :</b>			
* The amounts are considered as outstanding as on July 31, 2021			
** Since Issue Price is not available so that Post Issue Capital & Reserve & Surplus are not ascertainable			

## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPEMENT**

*Except as stated in this section, there are no:(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoter or Group Companies. Our Board, in its meeting held on September 08, 2021, determined that all pending litigation involving our Company, holding, Subsidiary, Directors, Promoter and Group Companies, other than criminal proceedings and statutory or regulatory actions, disciplinary actions including penalty imposed by SEBI or stock exchanges, claims related to direct and indirect taxes, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 1,00,000/- ("Material Litigation").*

*As per the materiality policy adopted by the Board of our Company in its meeting held on September 08, 2021, creditors of our Company The outstanding dues to creditors in excess of Rs. 1,00,000/- will be considered material. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI Regulations have been disclosed on our website at [www.handicraftsvillage.com](http://www.handicraftsvillage.com)*

*Our Company, Directors, Promoter and Group Companies are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.*

### **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES**

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

###### **1) Litigation involving Criminal Laws**

NIL

###### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

###### **3) Disciplinary Actions by Authorities**

NIL

###### **4) Litigation involving Tax Liability**

Direct Tax – NIL

Indirect Tax – NIL

###### **5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

##### **B. CASES FILED BY OUR COMPANY**

###### **1) Litigation involving Criminal Laws**

NIL

###### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

### **PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES**

#### **A. LITIGATION AGAINST OUR SUBSIDIARIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

#### **B. LITIGATION FILED BY OUR SUBSIDIARIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

#### **MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” beginning on page 145 there have been no material developments that have occurred after the Last Balance Sheet Date.

#### **OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.



Below are the details of the Creditors where outstanding amount as on July 31, 2021: -

<b>Name</b>	<b>Balance as on 31.07.2021 (in Lacs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	0.27
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	14.31

## **GOVERNMENT AND OTHER APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### **Approvals In Relation to Our Company's incorporation**

1. Certificate of Incorporation dated March 08, 2021 from the Registrar of Companies, Central Registration Centre (issued on behalf of Jurisdictional Registrar of Companies), under the Companies Act, 2013 as "SHASHWAT FURNISHING SOLUTIONS PRIVATE LIMITED" (Corporate Identification No.: U20299RJ2021PTC073899);
2. The Company acquired the existing business of M/s. Handicrafts Village, a proprietorship firm of Mr. Hitesh Karnawat S/o. Mr. Lalit Ghewarchand Karnawat, vide the shareholder's resolution dated June 01, 2021.
3. Fresh Certificate of Incorporation dated August 27, 2021 from the Registrar of Companies, Jaipur, Rajasthan, under the Companies Act, 2013 upon conversion of the Company from "SHASHWAT FURNISHING SOLUTIONS PRIVATE LIMITED" to "SHASHWAT FURNISHING SOLUTIONS LIMITED" vide shareholder's resolution dated August 12, 2021 (Corporate Identification No.: U20299RJ2021PLC073899);

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on September 01, 2021 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated September 04, 2021, under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated September 29, 2021 and [●] authorized our Company to take necessary action for filing the Draft Prospectus and Prospectus respectively with BSE SME.

#### ***Approvals from Stock Exchange***

1. Our Company has received in- principle listing approval from the BSE SME dated [●] for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated [●] with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Kfin Technologies Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated [●] with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Kfin Technologies Private Limited, for the dematerialization of its shares.

## Approvals/Licenses/Permissions in relation to our Business

### *Tax Related Approvals*

S.No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	Not Applicable	ABFCS6340C	Income Tax Department	08.03.2021	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	121, Mahaveer Nagar, Jain Colony, Jodhpur, Jodhpur - 342001, Rajasthan, India,	JDHS23271D	Income Tax Department	08.03.2021	Valid till Cancelled
3.	GST Registration Certificate	121, Mahaveer Nagar, Jain Colony, Jodhpur, Jodhpur - 342001, Rajasthan, India,	08ABFCS6340 C1ZI	Rajasthan Goods and Services Tax Act, 2017	05.04.2021	Valid till Cancelled

### *Other Approvals*

S.No.	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC)	121, Mahaveer Nagar, Jain Colony, Jodhpur, Jodhpur - 342001, Rajasthan, India,	ABFCS6340C	Ministry of Commerce and Industry, Directorate General of Foreign Trade.	21.07.2021	Valid till Cancelled
2.	Business Registration Number (BRN)	Shashwat Furnishing Solutions Limited 121, Mahaveer Nagar, Jain Colony, Jodhpur - 342001, Rajasthan, India	8005440026000 700	Department of Planning Directorate of Economics & Statistics Rajasthan, Jaipur	26.09.2021	Valid till Cancelled
3.	Udyog Aadhar Memorandum (UAM) Number	Shashwat Furnishing Solutions Private Limited 121, Mahaveer Nagar, Jain Colony, Jodhpur, Jodhpur, Rajasthan, India, 342001	UDYAM-RJ-22-0029842	MSME (Ministry of Micro Small & Medium Enterprises)	18.08.2021	Valid till Cancelled

### *Registration applied for:*

S.No.	Description	Issuing Authority	Date of Application
1.	Registration under Shops & Establishment Department, Rajasthan	Government of Rajasthan, Department of Statistics, Directorate of Economics & Statistics, Rajasthan, Jaipur	23.09.2021

## Intellectual Property

### **Intellectual Property**



Our Company uses the logo as “”. However, our Company does not own and registered the logo as on date of this Draft Prospectus.

**The Details of Domain Name registered on the name of the Company is: -**

S. No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Creation Date	Registration Expiry Date
1.	Domain Name - Handicraftsvillage.Com Registry Domain Id - 2123486728_DOMAIN_COM-VRSN	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	12-05-2017	12-05-2024

Our Company has executed assignment agreement dated September 18, 2021 with Mr. Hitesh Karnawat for use of domain.

## **SECTION XI: INFORMATION WITH RESPECT TO GROUP COMPANIES**

As per the SEBI ICDR Regulations, 2018 for the purpose of identification of Group Companies, our Company has considered companies covered under the Accounting Standard 18 as per Restated Financial Statements (other than our Subsidiary Company if any) and other companies considered material by our Board with which our Company has had related party transactions during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

Pursuant to a resolution of our Board dated September 08, 2021 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if Such company forms part of the Promoter Group of our Company in terms of Regulation of the SEBI ICDR Regulations and Companies who entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company as per Restated Financial Statements.

Based on the above, our Company does not have "Group Companies" in terms of the definition provided for above, as on date of this Draft Prospectus.

## **SECTION XII - OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Fresh Issue**

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated September 01, 2021 and by the shareholders pursuant to a special resolution in an Annual General Meeting held on September 04, 2021 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Draft Prospectus/Prospectus pursuant to letter dated [●] BSE is the Designated Stock Exchange.

#### **Prohibition by the SEBI or other Governmental Authorities**

Our Company, our Promoter, our Promoter Group, our Directors, Person in control of Promoter or Company, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoter or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

#### **Association with Securities Market**

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoter or directors

#### **Prohibition by RBI**

Neither our Company, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "Outstanding Litigations and Material Development" beginning on page 155 of the Draft Prospectus.

#### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules"), to the extent applicable, as on the date of the Draft Prospectus.

#### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue.

Our Company is eligible for the Issue in accordance with the Regulation 229 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is less than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE Limited i.e. BSE SME).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of BSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.



We confirm that:

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue was 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 42 of this Draft Prospectus.
2. 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 eight 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 eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, we will file Draft Prospectus with SEBI as well as stock exchange (s). However, Board shall not issue any observation pursuant to Regulation 246(2) of the SEBI (ICDR) Regulations.
4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the LM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 42 of this Draft Prospectus.
5. The Post Issue paid up capital of the company will be less than ₹ 25 Crore.
6. The Proprietorship firm which has been taken over by our Company have combined track record of 3 years.
7. The company including its sole proprietorship have combined positive cash accruals (earnings before depreciation and tax) in two of the year out of last three years.

The Financial Details of Proprietorship firm is as follows: -

(Amount in Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Proprietor’s Capital	26.66	22.63	14.78
Revenue from Operation	61.46	39.76	49.77
Profit after tax	7.56	5.11	4.25
Cash Accruals	8.48	5.98	4.93

The above details are extracted from Income Tax return filed by Proprietorship firm “Handicrafts Village” of our Promoter Mr. Hitesh Karnawat.

8. The Net-worth of our Company is Positive as per latest audited financial statement.
9. Our Company’s net worth and cash accruals from operations (earnings before depreciation and tax), based on the Restated Standalone Financial Statements included in this Draft Prospectus for the stub period ended on July 31, 2021 and as at Fiscals ended March 31, 2021 are set forth below:

(Amount in Lakhs)

Particulars	July 31, 2021	March 31, 2021
Net Worth	164.43	1.00
Net Tangible Assets	164.43	1.00
Cash Accruals	2.95	-

- (i) Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.
- (ii) Net Tangible Assets is total tangible assets less outside liabilities.
- (iii) Cash accruals has been defined as the Earnings before depreciation and tax from operations.

10. The Company will mandatorily facilitate trading in demat securities and will enter into agreement with both the depositories.
11. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
12. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.

13. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
14. There is no change in the promoter of the company in preceding one year from date of filing the application to BSE for listing under SME segment.
15. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the company.
16. Our Company has a website i.e. [www.handicraftsvillage.com](http://www.handicraftsvillage.com)

**Other Disclosures:**

- 1) We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) of the applicant company in the Draft Prospectus.
- 2) There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) during the past three years. Except as mentioned in the Draft Prospectus. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- 3) We have Disclosed the details of the applicant, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter "Outstanding Litigation & Material Developments" on page no. 155 of this Draft Prospectus.
- 4) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter "Outstanding Litigation & Material Developments" on page no. 155 of this Draft Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME platform. BSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated [●] with NSDL and agreement dated [●] with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoter will be dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is working capital requirement, general corporate purpose and issue expenses, for details, please refer the chapter "Objects of the Issue" on page no. 62 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoter or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoter or Directors is a wilful defaulter.
- (d) None of our Promoter or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MERCHANT BANKER, BEELINE BROKING LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, BEELINE BROKING LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●]**

**THE FILING OF THE DRAFT PROSPECTUS 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 DRAFT PROSPECTUS.**

*Note:*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Jaipur in terms of sections 26, 32 and 33 of the Companies Act,*

#### **Disclaimer from our Company and the Lead Manager**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered between the LM (Beeline Broking Limited) and our Company on September 23, 2021 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager 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, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual

funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative 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, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Jodhpur, Rajasthan.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause under Rule 144a of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Disclaimer Clause of the SME Platform of BSE**

BSE Limited ("BSE") has given vide its letter [●] 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 SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE 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 Offering or will continue to be listed on BSE; 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 BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE / other regulatory authority. Any use of the SME platform and the related services are subject to Indian Laws and Courts exclusively situated in Mumbai.

### **Filing**

This Draft Prospectus is being filed with BSE Limited, Exchange Plaza, 25th Floor, P J Towers, Dalal Street, Mumbai - 400001 Maharashtra, India.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Prospectus and Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Jaipur, Ministry of Corporate affairs, C/6-7, 1<sup>st</sup> Floor, Residency Area, Civil Lines, Jaipur-302001, Rajasthan, India.

### **Listing**

Application will be made to the BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE Limited has given its in-principle approval for using its name in our Offer documents vide its letter [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the 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 Issue 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 SME Platform of BSE Limited mentioned above are taken within six Working Days from the Issue Closing Date

### **Consents**

Consents in writing of (a) Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company\*; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\* The consent will be taken while registering the Prospectus with Roc.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s A Y & Co., Chartered Accountant Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.



## **Experts Opinion**

Except for the reports in the section “Financial information of our Company” and “Statement of Special Tax Benefits” on page 121 and 69 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Draft Prospectus except as disclosed in this Draft Prospectus.

## **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled “Capital Structure” beginning on page 51 of this Draft Prospectus.

## **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

## **Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

## **Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and Associates of our Company**

Except as stated in the chapter titled “Capital Structure” beginning on page 51 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

## **Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

Except as disclosed in this Draft Prospectus, All of our Group/ Associate are unlisted and have not made a public issue of shares.

## **Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

## **Outstanding Convertible Instruments**

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

## **Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

## **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

## **Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for

a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on September 08, 2021 For further details on the Stakeholders Relationship Committee, please refer to section titled “Our Management” beginning on page 103 of this Draft Prospectus.

**Our Company has appointed Mrs. Ratika Khandelwal, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Mrs. Ratika Khandelwal**  
**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
121, Mahaveer Nagar, Jain Colony,  
Jodhpur-342001, Rajasthan, India  
**Tel. No.:** 9001269000  
**E-mail:** [cs@handicraftsvillage.com](mailto:cs@handicraftsvillage.com)  
**Website:** [www.handicraftsvillage.com](http://www.handicraftsvillage.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Change in Auditors during the last three (3) years**

Except as disclosed in Chapter titled “General Information” beginning on Page 42 of this Draft Prospectus; there are no changes in the Auditors of the company during the last three years.



### Capitalization of Reserves or Profits

Except as disclosed under section titled “Capital Structure” beginning on page 51 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since incorporation.

### Revaluation of Assets

Our Company has not revalued its assets since incorporation.

### Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “Statement of Special Tax Benefits” beginning on page 69 of this Draft Prospectus.

### Purchase of Property

Other than as disclosed in Section “Business Overview” on page 81 of the Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

### Servicing Behaviour

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### Payment or benefit to officers of Our Company

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 or superannuation.

Except as disclosed in chapter titled “Our Management” beginning on page 103 and Restated Statement of Related Party Transactions” under chapter titled “Financial Information of our Company” beginning on page 121 of the Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

### Statement on Price Information of Past Issues handled by Beeline Broking Limited:

Sr. No.	Issue Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30 <sup>th</sup> Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90 <sup>th</sup> Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180 <sup>th</sup> Calendar Days from Listing
1.	Ranjeet Mechatronics Limited	4.500	25.00	September 26, 2018	27.50	+42.40% (-7.81%)	+ 27.60% (-1.68%)	+45.60% (+4.44%)

2.	Shubham Polyspin Limited	6.000	40.00	October 12, 2018	41.80	+6.25% (+1.45%)	+2.50% (+3.21%)	+12.50% (+12.11%)
3.	Axita Cotton Limited	10.512	60.00	January 10, 2019	61.00	+0.50% (+2.41%)	+29.67% (+7.66%)	+30.00% (+7.24%)
4.	Chandra Bhagat Pharma Limited	10.200	51.00	February 14, 2020	51.70	-20.98% (-20.55%)	-16.67% (-22.42%)	-7.84% (-8.71%)
5.	Laxmi Goldorna House Limited	8.280	15.00	April 16, 2020	15.00	+0.33% (+2.88%)	+7.33% (+13.06%)	2.66% (+23.78%)
6.	Sigma Solve Limited	4.955	45.00	October 19, 2020	46.00	0.00% (+8.43%)	-3.89% (+21.57%)	-10.93% (+23.67%)
7.	MRP Agro Limited	3.240	40.00	February 18, 2021	39.75	-3.25% (-2.97%)	-12.50% (-3.40%)	-32.50% (8.39%)
8.	Abhishek Integrations Limited	4.950	50.00	June 21, 2021	40.00	-38.80% (0.04%)	-40.40% (-11.68)	-
9.	Walpar Nutritions Limited	6.600	55.00	July 13, 2021	59.95	-33.64% (+2.97%)	-	-

Beeline Broking Limited has filed Draft Prospectus of D.K Enterprises Global Limited dated August 09, 2021 and Kotyark Industries Limited dated September 14, 2021 on NSE EMERGE.

**Note:**

1. Price on BSE are considered for all above calculations except for prices of equity shares of Laxmi Goldorna House Limited, Sigma Solve Limited, Abhishek Integrations Limited and Walpar Nutritions Limited which are listed on Emerge platform of National Stock Exchange of India Limited (NSE).
2. The S&P NSE Sensex and NSE Nifty are considered as the Benchmark.
3. "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> Calendar days from listing.
4. "Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 5 below.
5. In case 30<sup>th</sup>/ 90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.

**SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	2	11.55	-	2	-	-	-	-	-	-	-	-	-	
2020-21	2	8.195	-	-	1	-	-	1	-	1	1	-	-	
2019-20	2	18.480	-	-	1	-	-	1	-	-	1	-	1	
2018-19	3	21.012	-	-	-	-	1	2	-	-	-	-	2	

Note: Issue opening date is considered for calculation of total number of IPO's in the respective financial year.

**Track Record of past issues handled by Beeline Broking Limited**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.beelinebroking.com](http://www.beelinebroking.com)

**Note:**

**Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters 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 of our Company and 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 and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters 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 the Equity Shares in the Issue.**

## **SECTION XIII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

For details in relation to Issue expenses, see “Objects of the Issue” on pages 62 of this Draft Prospectus.

#### **Authority for the Issue**

The present Public Issue of upto 5,60,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on September 01, 2021 and was approved by the Shareholders of the Company by passing Special Resolution at the Annual General Meeting held on September 04, 2021 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **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 rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “Description of Equity Shares and Terms of the Articles of Association” on page 228 of the Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 “Dividend Policy” on page 120 of the Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹10.00 each are being offered in terms of the Draft Prospectus at the price of [●] per equity Share (including premium of [●] per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis for Issue Price” on page 67 of the Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **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, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “Description of Equity Shares and Terms of the Articles of Association” beginning on page 228 of the Draft Prospectus.

### **Allotment only in Dematerialised Form**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated [●] between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated [●] between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of BSE 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 and is 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.

*Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

### **Minimum Number of Allottees**

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.

### **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 Agents 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.

### **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 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 day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

### **Period of Operation of Subscription List of Public Issue**

<b>ISSUE OPENS ON</b>	[●]
<b>ISSUE CLOSES ON</b>	[●]

### **Minimum Subscription**

*In accordance with Regulation 260 (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application.*

As per section 39 of the Companies Act 2013, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

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.

### **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 SME Exchange.



### **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.

### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Restrictions 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 minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on page 51 of the Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading " Description of Equity Shares and Terms of the Articles of Association " on page 228 of the Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

### **Allotment of Securities in Dematerialised 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.

### **Migration to Main Board**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of 2 (two) years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the Main Board of BSE from the SME Exchange on a later date subject to the following:

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid-Up Capital of our Company is more than ₹10.00 Crore and up to ₹ 25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of BSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the



shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### Market Making

The shares offered through this Issue are proposed to be listed on the SME platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 42 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two ways quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Jodhpur, Rajasthan.

The Equity Shares 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 offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## 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 face value capital is less than and equal to ₹10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “Terms of the Issue” and “Issue Procedure” on page 174 and 182 of the Draft Prospectus.

The Issue comprise of a Public Issue of upto 5,60,000 Equity Shares of Face Value of ₹10/- each fully paid (The “Equity Shares”) for cash at a price of [●] per Equity Shares (*including a premium of [●] per equity share*) aggregating to [●] lakhs (“*the issue*”) by our Company of which [●] Equity Shares of ₹10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [●] Equity Shares of ₹10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute [●] and [●] respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	[●] Equity Shares	[●] Equity Shares
Percentage of Issue Size available for allocation	[●] of the Issue Size	[●] of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details, please refer to “Issue Procedure” on page 182 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of [●] each, such that the Application Value exceeds ₹ 2,00,000/-.  <b><u>For Retail Individuals Investors:</u></b> [●] Equity Shares at an Issue price of [●] Each	[●] Equity Shares
Maximum Application Size	<b><u>For Other than Retail Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed ₹2,00,000/-	[●] Equity Shares
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Application lot Size	[●] Equity Shares thereafter Equity Shares and in multiples of [●]	

Terms of Payment	The entire Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form
------------------	---

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to “Issue Structure” on page 179 of the Draft Prospectus.

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

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

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

### Withdrawal of the Issue

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

### Issue Programme:

<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING DATE</b>	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this draft prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Applicants 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 Applicants 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 Applicants; (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 through UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Accordingly, the Offer has been undertaken under UPI Phase II, till any further notice issued by SEBI.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by BSE Limited (“BSE”) to act as intermediaries for submitting Application Forms are provided on [www.bseindia.com](http://www.bseindia.com) For details on their designated branches for submitting Application Forms, please see the above mentioned website of BSE.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants.

## **FIXED PRICE ISSUE PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via Fixed Price Issue method. In terms of Regulation 253(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be issued to Non Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at Issue Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange. However, if the retail individual investor category is entitled to more than fifty per cent of the net Issue on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, the Company, in consultation with the Lead Manager, may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

## **PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR**

SEBI has issued UPI Circular in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 and till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.



**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the Lead Manager.

### **Electronic registration of Bids**

- a) The Designated Intermediary registered the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries uploaded the Bids till such time as were permitted by the Stock Exchanges and as disclosed in this Draft Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries were given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the 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. An electronic copy of the Application Form will also be available for download on the website of the Stock Exchange (BSE Limited) i.e. [www.bsesme.com](http://www.bsesme.com) at least one day prior to the Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue through intermediaries shall use only UPI payment mechanism for application. The application form submitted by NIIs and QIBs must provide applicant's bank account details and authorization to block funds in the relevant space provided in the Application Form. Further, Retail Individual Investors submitting application form using UPI shall mention the UPI of his/her own Bank account in the application form in the relevant space. The Application Forms that do not contain applicant's bank account details or UPI of own Bank Account, as the case may be, are liable to be rejected. All the investors were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which could have been blocked by the SCSB.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID were liable for rejection.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form*</b>
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

*\*excluding electronic Application Forms downloaded by the Applicants.*

### **SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS**

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account or UPI linked Bank



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.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- i. An SCSB, with whom the bank account to be blocked, is maintained
- ii. A syndicate member (or sub-syndicate member)
- iii. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
- iv. A depository participant (“DP”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v. A registrar to an issuer and share transfer agent (“RTA”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), shall enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the applicants has a bank account and shall not submit it to any non-SCSB Bank.

For applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of Stock Exchange. Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, “printouts” of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

SCSB, after accepting the form, shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified.

It is clarified that Retail Individual Investors may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

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 submitted by RIIs (without using UPI for payment), NIIs and QIBs, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) 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 (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).  Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis through API integration, 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 shall accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.

Stock exchange(s) shall validate the electronic application details with depository's records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or Subsequent notice of such changes to the Applicants.

## WHO CAN APPLY?

**As per the existing RBI 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 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 to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, 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. Applicants are requested to refer to the Prospectus for more details.

**Subject to the above, an illustrative list of Applicants 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 Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- 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) QIBs;
- e) Mutual Funds registered with SEBI;
- f) 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;
- g) 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);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;

- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;
- m) 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;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- r) 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;
- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;
- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- |                                       |  |
|---------------------------------------|--|
| 1. Minors (except under guardianship) | 2. Partnership firms or their nominees |
| 3. Foreign Nationals (except NRIs)    | 4. Overseas Corporate Bodies           |

*The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.*

**PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER**

The Lead Manager 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 Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Lead Manager and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Promoter and Promoter Group and any persons related to our Promoter and Promoter Group cannot participate in the Issue.

## **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

## **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company.

Provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds.

- No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications, provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

## **APPLICATIONS BY ELIGIBLE NRIS ON REPATRIATION BASIS**

**ELIGIBLE NRIS APPLYING ON A REPATRIATION BASIS ARE ADVISED TO USE THE APPLICATION FORM MEANT FOR NON-RESIDENTS (BLUE IN COLOUR).**

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants making application on a repatriation basis by using the Non Resident Forms, should authorize their SCSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) or ASBA Accounts.

**Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non Resident Ordinary (NRO) accounts for the full Application Amount, at the time of the submission of the Application Form.**

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

#### **APPLICATIONS BY ELIGIBLE FPIs INCLUDING FIIs ON REPATRIATION BASIS**

**FPIs INCLUDING FIIs WHO WISH TO PARTICIPATE IN THE ISSUE ARE ADVISED TO USE THE APPLICATION FORM FOR NON- RESIDENTS (BLUE IN COLOUR).**

As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of FEMA Act, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - (b). Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - iv. Any other transaction specified by the Board.
  - (c). No transaction on the stock exchange shall be carried forward;
  - (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board;

Provided nothing contained in this clause shall apply to:

- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
- ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
- iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;

- v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
- vi. Any Application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
- vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- viii. Any other transaction specified by the Board.

(e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of FEMA Act, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.
8. No foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
  - (a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
  - (b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

9. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
10. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
11. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.



12. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
13. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
14. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.
15. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
16. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
17. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.
18. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Further, the SEBI, AIF Regulations prescribes, among others, the investment restrictions on AIFs.

The holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicants on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all such Applicants will be treated on the same basis with other categories for the purpose of allocation.

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.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- (a.) Equity shares of a Company: the least of 10% of the investee Company's subscribed capital (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 belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a.) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development

Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

- c.) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- d.) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the 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.*

## INDICATIVE PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE

### ASBA PROCESS

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### CHANNELS OF SUBMISSION OF APPLICATION FORMS

From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.	Not Applicable	RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non-Institutional Investor (NII) including Qualified Institutional Buyer (QIB)	For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such Applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Applications and shall not upload such Applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each Application into the electronic bidding system as a separate Application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be.

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

## PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE SUBMITTED BY RETAIL INDIVIDUAL INVESTOR

In addition to application to be submitted to SCSB, with whom the bank account to be blocked, is maintained, a RII would also have the option to submit application form with any of the intermediary and use his / her bank account linked UPI ID for the purpose of blocking of funds with effect from January 01, 2019.

The detailed process in this regard is as detailed hereunder:

### Application and validation process

- (a). submission of the application with the intermediary, the RII would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- (b). RII will fill in the Application details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediary.
- (c). The intermediary upon receipt of form will upload the Application details along with UPI ID in the stock exchange bidding platform.
- (d). Once the Application has been entered in the bidding platform, the exchange will undertake validation of the PAN and Demat Account details of RII with the depository.
- (e). Depository will validate the aforesaid Application details on a real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- (f). SMS from exchange to RII for applying: Once the Application details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the RII regarding submission of his / her application, daily at the end of day basis, during bidding period. For the last day of applying, the SMS may be sent out the next working day.

### The Block Process

- (a). Post undertaking validation with depository, the stock exchange will, on a continuous basis, electronically share the Application details along with RIIs UPI ID, with the Sponsor Bank appointed by the issuer.
- (b). The Sponsor Bank will initiate a mandate request on the RII i.e. request the RII to authorize blocking of funds equivalent to application amount and Subsequent debit of funds in case of allotment. For all pending UPI Mandate Requests, the Sponsor Bank will initiate requests for blocking of funds in the ASBA Accounts of relevant investors 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, RIIs using the UPI Mechanism need to accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests after the Cut-Off Time will lapse.
- (c). The request raised by the Sponsor Bank, would be electronically received by the RII as a SMS / intimation on his / her mobile no. / Mobile app, associated with UPI ID linked bank account.
- (d). The RII would be able to view the amount to be blocked as per his / her Application in such intimation. The RII would also be able to view an attachment wherein the IPO Application details submitted by RII will be visible. After reviewing the details properly, RII would be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the IPO.
- (e). Upon successful validation of block request by the RII, as above, the said information would be electronically received by the RIIs’ bank, where the funds, equivalent to application amount, would get blocked in RIIs account. Intimation regarding confirmation of such block of funds in RIIs account would also be received by the RII.
- (f). The information containing status of block request (e.g. – accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with stock exchange. The block request status would also be displayed on stock exchange platform for information of the intermediary.
- (g). The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.



- (h). RIIs would continue to have the option to modify or withdraw the Application till the closure of the Issue period. For each such modification of Application, RII will submit a revised Application and shall receive a mandate request from sponsor bank to be validated as per the process indicated above.

Post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

#### **NUMBER OF APPLICATIONS PER BANK ACCOUNT**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

#### **HOW TO APPLY?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. 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 may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **MODE OF PAYMENT**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by applicant and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor 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 and all related circulars issued thereafter, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

In case of applications made by using any of channels under UPI Payments Mechanism, post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.



The RTA, based on information of Applications and blocking received from stock exchange, would undertake reconciliation of the Applications data and block confirmation corresponding to the Applications by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

Upon approval of basis of allotment, RTA will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

Upon confirmation of receipt of funds in the public issue account, shares would be credited to the RII's account. RII will be notified for full/partial/no allotment. For partial allotment the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the RII.

## **UNBLOCKING OF ASBA ACCOUNT**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

In case of applications made by using any of channels under UPI Payments Mechanism, Registrar to the Issue will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

However, the Application Amount may be unblocked in the ASBA Account or Bank Account link in UPI Mechanism prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application or Application made through UPI Mechanism, as the case may be.

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

The applications in this Issue, being a fixed price issue, will be categorized into two;

### **1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000.

### **2. For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of [●] Equity Shares so as to ensure that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter.

A person shall not make an application in the net Issue category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant 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 Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application form 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 the Prospectus.**

## OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

**Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

## INFORMATION FOR THE APPLICANTS

- a.) The Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e.) Applications made in the name of Minors and/or their nominees shall not be accepted.

## PRE-ISSUE ADVERTISEMENT

As provided in Section 30 of the Companies Act, 2013 and 264(2) of the SEBI (ICDR) Regulations, 2018, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English national daily newspaper; one widely circulated Hindi national daily newspaper and one widely circulated Gujarati newspaper.

## SIGNING OF UNDERWRITING AGREEMENT

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on [●]

## FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

## INFORMATION FOR THE APPLICANTS

- a.) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b.) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload it on its website. On the basis of approved basis of allotment, the Issuer shall make necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c.) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d.) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 5 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within two 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 or Sponsor Bank shall transfers 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 5 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

## **INTEREST AND REFUNDS**

### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date. 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. 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.

## **GROUND FOR REFUND**

### **NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In case, our Company fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, our Company shall refund through verifiable means the entire monies received within seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities. The Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If any such money is not repaid within eight days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

## **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the “Stated Minimum Amount” has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this Draft Prospectus including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies Act, 2013.

## **MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

## MODE OF REFUND

Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs or in case of Applications by RIIs applying through the UPI mechanism to the Sponsor Bank, to revoke the mandate and for unblocking the amount in ASBA Accounts of unsuccessful Applicants and also for any excess amount blocked on Applications.

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Applications or in the event of withdrawal or failure of the Issue.

## LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBS

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. The Registrar shall instruct the Sponsor Bank or relevant SCSBs to, on the receipt of such instructions from the Registrar, revoke the mandate and for unblocking the amount in ASBA Accounts to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 6 Working Days of the Issue Closing Date.

## INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

## GENERAL INSTRUCTIONS

### Do's:

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID, UPI ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Applicants in case of joint Applications, is included in the Application Forms;
- QIBs, Non-Institutional Applicants and the Retail Applicants should submit their Applications through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their Application by using UPI mechanism for payment.
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicants whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Application;
- Ensure that you have funds equal to the Application Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to

the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for 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;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporates, trust etc, relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;
- Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not make Application on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not make Application at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not make Application for Application Amount exceeding ₹ 2,00,000 (for Applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Net Issue Size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- Do not submit Application on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicants;
- Do not submit Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional

- documents or otherwise;
- Do not make Application if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
  - Do not submit Application by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

## **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in **BLOCK LETTERS** in **ENGLISH** only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker's Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

Applicants may note that forms not filled completely or correctly as per instructions provided in this Draft Prospectus, the General Information Document which shall be made available on the website of the Stock Exchange, the Issuer and the BRLM, are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below;

### **A. INSTRUCTION FOR FILLING THE APPLICATION FORM**





<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Registered Office: Tel. No.:                      Fax No. :                      Email:                      Website: Contact Person:                      CIN:	<b>FOR ELIGIBLE NRIs, FIIs/FPis, FVCI, ETC., APPLYING ON A REPATRIATION BASIS</b>
--------------------------------	---	---

<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
-------------	--	---	--

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>  Address <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>  Email <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>  Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	
		<b>2. PAN OF SOLE/FIRST APPLICANT</b> <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	<input type="checkbox"/> Non-Resident Indians - NRI (Repatriation basis)
	<input type="checkbox"/> Foreign Institutional Investor - FII/
	<input type="checkbox"/> Foreign Portfolio Investor - FPI
	<input type="checkbox"/> Foreign Venture Capital Investor - FVCI
	<input type="checkbox"/> FII Sub Account Corporate / Individual - FIISA
	<input type="checkbox"/> Others - OTH (please specify)

<b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b>				<b>5. CATEGORY</b>	
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price				<input type="checkbox"/> Retail Individual	
(In Figures)		(In Words)		<input type="checkbox"/> Non-Institutional	
<b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b>				<input type="checkbox"/> QIB	
<small><sup>1</sup> Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly. <sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.</small>					

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span> (₹ in words) <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	
Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	
OR	
UPI Id <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span> <small>(Maximum 45 characters)</small>	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>3 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>   Date: ....., 2019	<b>3 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span> 2) <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span> 3) <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>   
--	---	--

----- TEAR HERE -----

<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
DPID / CLID <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>		PAN of Sole/First Applicant <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	
Amount Blocked (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	ASBA Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	<b>Stamp &amp; Signature of SCSB Branch</b>   	
ASBA Bank A/c No./UPI Id <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>			
Received from Mr./Ms. <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>			
Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	Email <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>		

----- TEAR HERE -----

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>		In Figures	In Words	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>   
	No. of Equity Shares				
	Amount Blocked (₹)				
ASBA Bank A/c No. / UPI Id: <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>				<b>Acknowledgement Slip for Applicant</b>	
Bank & Branch: <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>				Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

### 1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT:

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a.) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- b.) **Joint Applicants:** In the case of Joint Applicants, the Application should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### 2. FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT:

- a.) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b.) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Application on behalf of the Central or State Government, Application by officials appointed by the courts and Application by Applicant residing in Sikkim ("PAN Exempted Applicant"). Consequently, all Applicants, other than the PAN Exempted Applicant, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Application by the Applicant whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c.) The exemption for the PAN Exempted Applicant 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.
- d.) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e.) Applications by Applicant whose demat accounts have been "suspended for credit" are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

### 3. FIELD NUMBER 3: APPLICANT'S DEPOSITORY ACCOUNT DETAILS

- a.) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- b.) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c.) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.
- d.) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4. FIELD NUMBER 4: APPLICATION OPTIONS

- a.) Since, this is the Fixed Price Issue and the Price has already been disclosed in the Prospectus, the Applicants should make application at the Issue Price only. For the purpose of this Issue, the Price has been Determined as [●] per equity shares (including premium of [●] per equity share).
- b.) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can make application at the Cut-off Price indicating their agreement to apply for and purchase the Equity Shares at the Issue Price as determined in terms of Prospectus. Making Application at the Cut-off Price is prohibited for QIBs and NIIs and such Applications from QIBs and NIIs may be rejected.
- c.) **Minimum Application Value and Application Lot:** For Application made by Retail Individual Investors, minimum application of [●] Equity Shares to ensure that the minimum Application value is not exceeding ₹ 2,00,000 and not less than ₹ 1,00,000. For Application made by QIBs and Non – Institutional Investors, minimum application of [●] Equity Shares and in multiples of [●] Equity Shares thereafter to ensure that the minimum Application value is exceeding ₹ 2,00,000.
- d.) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum application Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. Also, in case if the RII category is entitled to more than the allocated equity shares on proportionate basis, the RII category shall be allotted that higher percentage.

#### Maximum and Minimum Application Size

- e.) The Applicants may apply for the desired number of Equity Shares in multiple of [●] equity shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for [●] equity shares, so as to ensure that the Application Amount, payable by the Applicants does not exceed ₹ 2,00,000.

In case the Application Amount exceeds ₹ 2,00,000 due to revision of the Application or any other reason, the Application may be considered for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected.

For NRIs, Application Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and Application Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- f.) Application by QIBs and NIIs must be for [●] equity shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter, as may be disclosed in the Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to make application at Cut off Price.
- g.) RII may revise or withdraw their application until Issue Closing Date. QIBs and NII's cannot withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after making application and are required to pay the Application Amount upon submission of the Application.
- h.) In case the Application Amount reduces to ₹ 2,00,000 or less due to a revision of the Price, Application by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- i.) An Application cannot be submitted for more than the net issue size.
- j.) The maximum application by any applicant including QIB applicant should not exceed the investment limits prescribed for them under the applicable laws.

#### Multiple Applications

- k.) Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.
- l.) Applicants are requested to note the following procedures that may be followed by the Registrar to the Issue to detect multiple Applications:



- i. All Applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple Application by Applicants and may be rejected.
- ii. For Application from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Application on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. Such Applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.

**m.) The following Applications may not be treated as multiple Applications:**

- i. Applications by Reserved Categories making application in their respective Reservation Portion as well as application made by them in the Issue portion in public category.
- ii. Separate Applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
- iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

**5. FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a.) The categories of Applicants are identified as per the SEBI (ICDR) Regulations, 2018 for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b.) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations, 2018. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c.) The SEBI (ICDR) Regulations, 2018, specify the allocation or allotment that may be made to various categories of Application in an issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.
- d.) For Issue specific details in relation to allocation, Applicants may refer to the Prospectus.

**6. FIELD NUMBER 6: INVESTOR STATUS**

- a.) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.
- b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c.) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d.) Applicants should ensure that their investor status is updated in the Depository records.

**7. FIELD NUMBER 7: PAYMENT DETAILS**

- a.) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- b.) The full Application Amount shall be blocked based on the authorization provided in the Application Form.
- c.) RIIs who make application at Cut-off price shall be blocked on the Cap Price.

- d.) All Applicants (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- e.) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.
- f.) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order.

**Payment instructions for Applicants (other than Anchor Investors)**

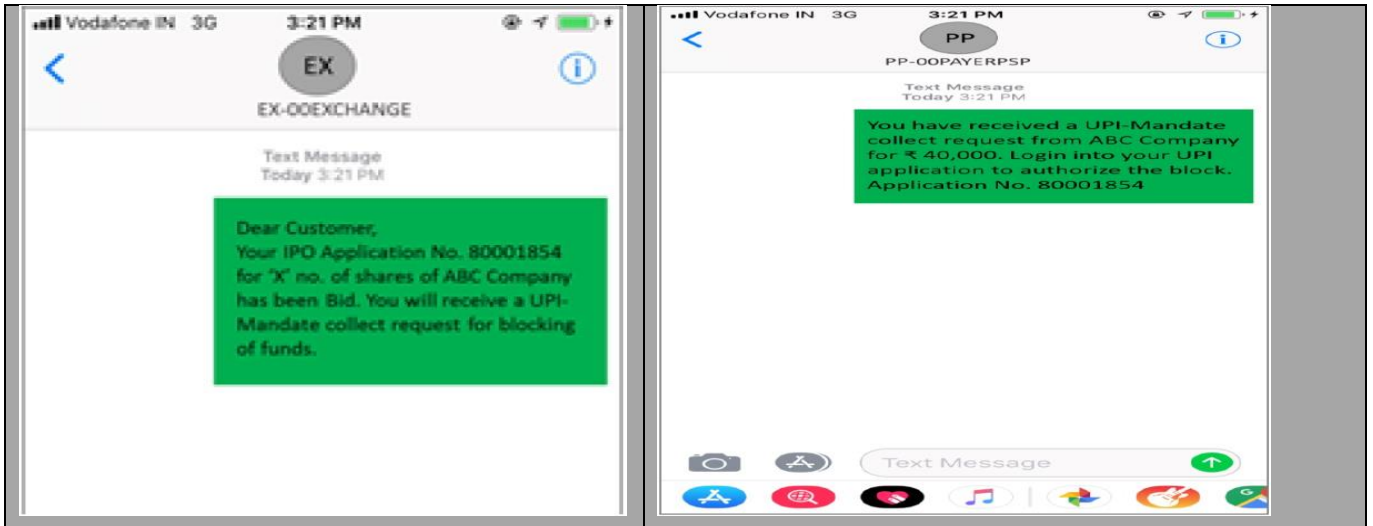
- a.) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.		RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII)	For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

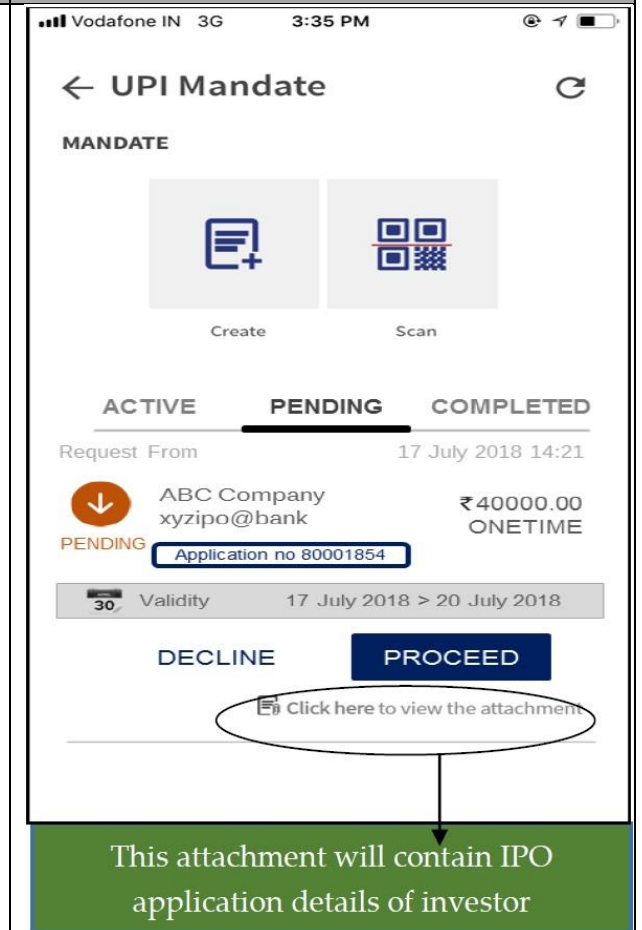
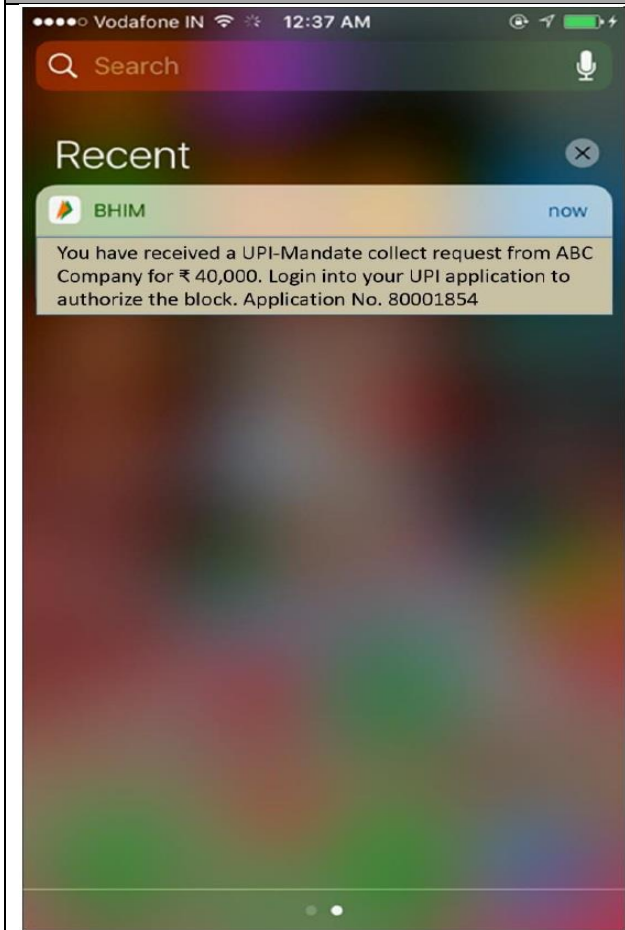
Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:

**ILLUSTRATIVE SMS | BLOCK REQUEST SMS TO INVESTOR**





**BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION      BLOCK REQUEST SMS TO INVESTOR**



**SAMPLE OF IPO DETAILS IN ATTACHMENT      POST VERIFICATION OF DETAILS ABOVE**

Secure | https://

1 Enter Details

**Investor Details**

Depository Name	DP ID	Client ID
NSDL	IN300513	14871468
Beneficiary No.	PAN Card	Investor's Name
-	AAMPF7581P	SHYAM SHARAM

**IPO Details**

Company Name	IPO Symbol	Bid Lot
IPO	SUPREMEENG	40000
Face Value	Maximum Price	Minimum Price
10.00	₹ 32.00	₹ 27.00
Cut Off Price	IPO Start Date	IPO End Date
₹ 32.00	20 July 2018	27 July 2018
Discount Amount	Discount Category	
NA	-	

Vodafone IN 3G 5:43 PM

← **Create Mandate**

TO

**ABC Company**

✓ xyzipo@bank **Verified Merchant**

Mandate Amount  
**₹ 40000.00**

The Amount entered will be blocked immediately & debited from payer account as per your Mandate inputs

Frequency  
**ONETIME**

Validity

Start Date	>	End Date
20 JULY 2018		27 JULY 2018

Users account will be debited within validity period.

REMARKS  
Application no 80001834

Click here to view the attachment

**PROCEED**

**PRE-CONFIRMATION PAGE**

Vodafone IN 3G 3:48 PM

Please check the below details as the amount will be **blocked** for the validity period and will be debited as per the mandate inputs. In case of non-execution of the Mandate, the amount will be unblocked

**Mandate Details**

To  
ABC Company

✓ xyzipo@bank

AMOUNT  
₹ 0000.00

FREQUENCY  
ONETIME

VALIDITY  
20 JULY 2018 to 27 JULY 2018


REMARKS  
Application no 80001854

**CANCEL** **CONFIRM**

**ENTERING OF UPI PIN**

Vodafone IN 3G 1:39 AM

**CANCEL**

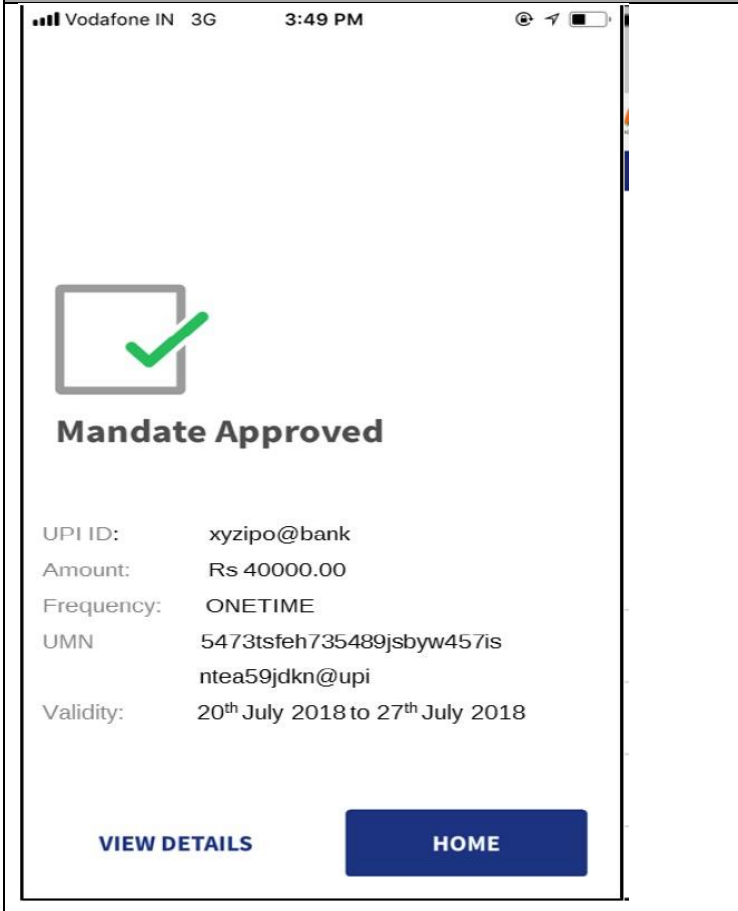
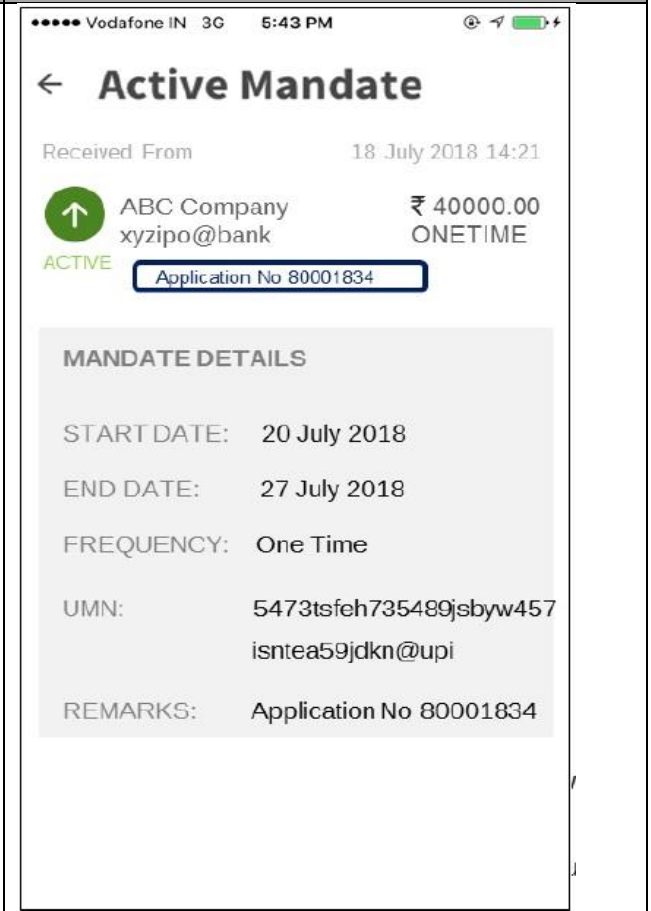
STATE BANK OF INDIA 

ABC Company ₹ 40000

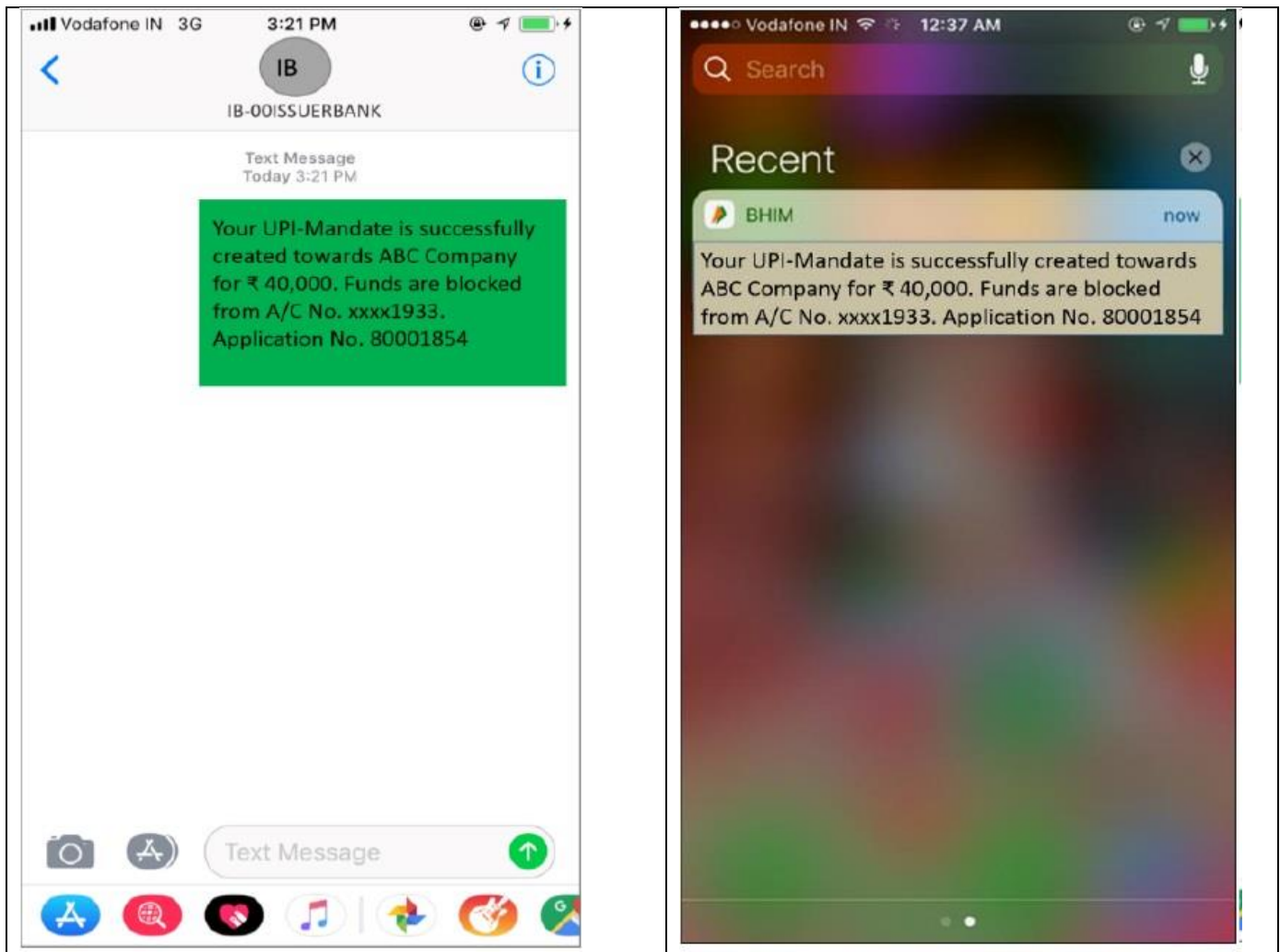
**ENTER UPI PIN**

— — — —

1	2	3
4	5	6
7	8	9
✕	0	SUBMIT

CONFIRMATION PAGE	APPROVED MANDATES VISIBLE IN UPI APPLICATION
 <p><b>Mandate Approved</b></p> <p>UPI ID: xyzipo@bank            Amount: Rs 40000.00            Frequency: ONETIME            UMN: 5473tsfeh735489jsbyw457is                  ntea59jdkn@upi            Validity: 20<sup>th</sup> July 2018 to 27<sup>th</sup> July 2018</p> <p><a href="#">VIEW DETAILS</a> <a href="#">HOME</a></p>	 <p><b>Active Mandate</b></p> <p>Received From: 18 July 2018 14:21</p> <p>ABC Company ₹ 40000.00        xyzipo@bank ONETIME        ACTIVE Application No 80001834</p> <p><b>MANDATE DETAILS</b></p> <p>START DATE: 20 July 2018        END DATE: 27 July 2018        FREQUENCY: One Time        UMN: 5473tsfeh735489jsbyw457              isntea59jdkn@upi        REMARKS: Application No 80001834</p>

**BLOCK CONFIRMATION SMS TO INVESTOR**      **BLOCK CONFIRMATION APPLICATION INTIMATION**



- b.) QIB and NII Applicants may submit the Application Form either;
- i. to SCSB in physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- c.) Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by Applicants and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.
- d.) Applicants should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.
- e.) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.
- f.) Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centers, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- g.) **Applicants making application through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

- h.) **Applicants making application directly through the SCSBs** should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i.) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- j.) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and for application directly submitted to SCSB by investor, may enter each application details into the electronic bidding system as a separate application.
- k.) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Application on the Stock Exchange platform and such Applications are liable to be rejected.
- l.) Upon submission of a completed Application Form each Applicants (not being a RII who has opted for the UPI payment mechanism and provided a UPI ID with the Application Form) may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Application Amount for RIIs who have provided a UPI ID with the Application Form, please refer to graphical illustrative process of the investor receiving and approving the UPI mandate request provided in clause (a).
- m.) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- n.) SCSBs making application in the Issue must apply through an Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **8. FIELD NUMBER 8: UNBLOCKING OF ASBA ACCOUNT**

- a.) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA Accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant ASBA Account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.
- b.) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Applicants to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c.) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Application Amount in the Relevant Account within four Working Days of the Issue Closing Date.

#### **Additional Payment Instructions for RIIs applying through Designated Intermediaries using the UPI mechanism**

- d.) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
- e.) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>
- f.) RIIs shall mention his / her UPI ID along with the application details in the Application Form in capital letters and submit the Application Form to any of the Designated Intermediaries.



- g.) The Designated Intermediary upon receipt of the Application Form will upload the application details along with UPI ID in the stock exchange bidding platform.
- h.) Once the application has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the Designated Intermediary through its bidding platform, for corrections, if any.
- i.) Once the application details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the application details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.
- j.) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.
- k.) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the application are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire application Amount and authorized the Sponsor Bank to block the application Amount mentioned in the Application Form and Subsequent debit in case of allotment.
- l.) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.
- m.) RIIs may continue to modify or withdraw the application till the closure of the Issue Period. For each modification of the application, the RII will submit a revised application and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.
- n.) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.
- o.) Post closure of the Issue, the stock exchange will share the application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

**Discount: NOT APPLICABLE**

#### **Additional Payment Instruction for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **9. FIELD NUMBER 9: SIGNATURES AND OTHER AUTHORISATIONS**

- a.) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b.) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- c.) Applicants must note that Application Form without signature of Applicants and /or ASBA Account holder is liable to be rejected.



## 10. FIELD NUMBER 10: ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- a.) Applicant should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.
- b.) All communications in connection with Application made in the Issue should be addressed as under:
- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicant should contact the Registrar to the Issue.
  - ii. In case of ASBA Application submitted to the Designated Branches of the SCSBs, the Applicant should contact the relevant Designated Branch of the SCSB.
  - iii. Applicants may contact the Company Secretary and Compliance Officer or Lead Manager in case of any other complaints in relation to the Issue.
  - iv. In case of queries relating to uploading of Application by a Syndicate Member, the Applicant should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Application by a Registered Broker, the Applicant should contact the relevant Registered Broker
  - vi. In case of Application submitted to the RTA, the Applicant should contact the relevant RTA.
  - vii. In case of Application submitted to the DP, the Applicant should contact the relevant DP.
  - viii. In case of queries relating to uploading of Application through the UPI Mechanism, the Applicant should contact the Sponsor Bank;
- c.) The following details (as applicable) should be quoted while making any queries –
- i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. Applications, ASBA Account number or the UPI ID (for RIIs who make the payment of Application Amount through the UPI mechanism) linked to the ASBA Account where the Application Amount was blocked in which the amount equivalent to the Application Amount was blocked.
  - iv. For further details, Applicants may refer to the Prospectus and the Application Form.

## B. INSTRUCTIONS FOR FILLING THE REVISION FORM

- a.) During the Issue Period, any Applicants (other than QIBs and NIIs, who can only revise their Application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b.) RII may revise / withdraw their Application till closure of the Issue period.
- c.) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- d.) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had made the original Application. It is clarified that RIIs whose original Application is made using the UPI mechanism, can make revision(s) to their Application using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Applicants are advised to retain copies of the blank Revision Form and the Application(s) must be made only in such Revision Form or copies thereof.
- A sample Revision form is reproduced below:



<b>COMMON APPLICATION REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS
	Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:	

<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
-------------	--	---	--

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

Mr. / Ms.   
Address   
Tel. No (with STD code) / Mobile

**2. PAN OF SOLE/FIRST APPLICANT**

**3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS**    NSDL     CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

**PLEASE CHANGE MY APPLICATION**  PHYSICAL

Options	No. of Equity Shares Application (Application must be in multiples of [-] Equity Share)							Price per Equity Share (₹) [+]												"Cut-off" (Please ✓ tick)
	(In Figures)							(In Figures)												
	7	6	5	4	3	2	1	Issue Price			Discount, if any			Net Price						
Option 1 (OR) Option 2 (OR) Option 3	ORIGINAL APPLICATION							ORIGINAL APPLICATION												

**5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")**

Options	No. of Equity Shares Application (Application must be in multiples of [-] Equity Share)							Price per Equity Share (₹) [+]												"Cut-off" (Please ✓ tick)
	(In Figures)							(In Figures)												
	7	6	5	4	3	2	1	Issue Price			Discount, if any			Net Price						
Option 1 (OR) Option 2 (OR) Option 3	REVISED APPLICATION							REVISED APPLICATION												

**6. PAYMENT DETAILS** **PAYMENT OPTION : Full Payment**

Additional Amount Blocked (₹ in Figures)  (₹ in words) \_\_\_\_\_

ASBA Bank A/c No.

Bank Name & Branch \_\_\_\_\_

OR  
UPI Id   
(Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1) _____	
	2) _____	
	3) _____	

----- TEAR HERE -----

<b>LOGO</b>	<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
-------------	--	---	--

DPID / CLID <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	PAN <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	Additional Amount Blocked (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> ASBA Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	<b>Stamp &amp; Signature of SCSB Branch</b>
ASBA Bank A/c No./UPI Id <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>			
Received from Mr./Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>			
Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>		

----- TEAR HERE -----

<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>		Option 1	Option 2	Option 3	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares	X				
	Issue Price	X				
	Additional Amount Blocked (₹)	X				
	ASBA Bank A/c No. / UPI Id:					
Bank & Branch:						
<b>Acknowledgment Slip for Applicant</b>						
Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.					Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	

## **11. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 1, 2 and 3 above under the heading “Instructions for Filling the Application Form”.

## **12. FIELDS 4 AND 5: APPLICATION OPTIONS REVISION ‘FROM’ AND ‘TO’**

- a.) Apart from mentioning the revised number of shares in the Revision Form, the Applicants must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form. For example, if Applicant has applied for [●] equity shares in the Application Form and such applicant is changing number of shares applied for in the Revision Form, the applicant must fill the details of [●] equity shares, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- b.) In case of revision, applicants’ options should be provided by applicants in the same order as provided in the Application Form.
- c.) In case of revision of Applicants by Retail Individual Investors and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, Subsequent to revision, does not exceed ₹ 200,000. In case the Application Amount exceeds ₹ 200,000 due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected. The Cut-off Price option is given only to the Retail Individual Investors and Retail Individual Shareholders indicating their agreement to apply for and purchase the Equity Shares at the Issue Price.
- d.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Application or make additional payment and the Issue Price is higher than the price disclosed in the Prospectus, the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised application at Cut-off Price.
- e.) In case of a downward revision in the Price, RIIs who have applied at the Cut-off Price could either revise their application or the excess amount paid at the time of application may be unblocked in case of applicants.

## **13. PAYMENT DETAILS**

- a.) All Applicants are required to make payment of the full Application Amount along with the Application Revision Form.
- b.) Applicant may Issue instructions to block the revised amount based on the revised Price in the ASBA Account of the UPI Linked Bank Account, to the same Designated Intermediary through whom such applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.
- c.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the application or make additional payment and the Price is higher than Issue price disclosed in the Prospectus prior to the revision, the number of Equity Shares applied for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the applicant is deemed to have approved such revised application at the Cut-off Price.
- d.) In case of a downward revision in the Price, RIIs and Retail Individual Shareholders, who have applied at the Cut-off Price, could either revise their application or the excess amount paid at the time of application may be unblocked.

## **14. FIELD NUMBER 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 9 above under the heading “Instructions for Filling the Application Form” for this purpose.



## **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

*Please note that, providing bank account details or UPI ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.*

*Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.*

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code, occupation (hereinafter referred to as 'Demographic Details') or UPI ID (in case of Retail Individual Investors). These Bank Account or UPI ID details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

## **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **OTHER INSTRUCTIONS**

### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application or Application through UPI Mechanism either in physical or electronic mode, an Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration (“GIR”) number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and not firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;



- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations for "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account, UPI ID and/or Depositories Account;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
- Submission of Application Form(s) using third party ASBA Bank Account;
- Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries;
- In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third party bank account;
- The UPI Mandate is not approved by Retail Individual Investor; and
- The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and *vice versa*.

### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. a tripartite agreement dated [●] with NSDL, our Company and Registrar to the Issue;
- b. a tripartite agreement dated [●] with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: [●]

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.

- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

## COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc. at below mentioned addresses;**

<p><b>To</b>  <b>Mrs. Ratika Khandelwal</b>  <b>SHASHWAT FURNISHING SOLUTIONS LIMITED</b>          121, Mahaveer Nagar, Jain Colony,          Jodhpur-342001, Rajasthan, India  <b>Tel. No.:</b> 9001269000  <b>E-mail:</b> <a href="mailto:info@handicraftsvillage.com">info@handicraftsvillage.com</a></p>	<p><b>To the Registrar to the Issue</b>  <b>KFIN TECHNOLOGIES PRIVATE LIMITED</b>          Selenium Tower-B, Plot No. 31-32, Gachibowli, Financial District,          Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032.  <b>Tel. No.:</b> +91-40-6716-2222  <b>Fax No.:</b> +91-40-2343-1551  <b>Email:</b> <a href="mailto:shashwat.ipo@kfintech.com">shashwat.ipo@kfintech.com</a>  <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a>  <b>Investor Grievance Email:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>  <b>Contact Person:</b> M Murali Krishna  <b>SEBI Registration No.:</b> INR000000221</p>
--	---

## DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall make best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) 'Any person who: makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

- c) **Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.**

*Section 447 of the Companies Act, 2013, is reproduced as below:*

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

*Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.*

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with BSE (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 the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal 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, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows;
  - (a). minimum fifty per cent. to retail individual investors; and
  - (b). remaining to:
    - i) individual applicants other than retail individual investors; and
    - ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

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

**Explanation:** If the retail individual investor category is entitled to more than fifty per cent of the net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “BASIS OF ALLOTMENT”.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the SME Platform of BSE.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size 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 SME Platform of BSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

#### **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. Adequate arrangements shall be made to collect all Application forms.

#### **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company’s balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet

indicating the form in which such unutilized monies have been invested;

- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
- 5) Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment In India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian



company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION XIV - DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE NO.	INTERPRETATION	HEADING
1.	<p>In these Articles unless there be something in the subject matter or context inconsistent therewith:</p> <p>i. “The Act” means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.</p> <p>ii. “Articles” means Articles of Association of the Company as originally framed or altered from time to time</p> <p>iii. “Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.</p> <p>iv. “Board” or “Board of Director” means the Collective body of the Board of Directors of the Company.</p> <p>v. “Chairman” means the Chairman of the Board of the Directors of the Company.</p> <p>vi. “The Company” means Shashwat Furnishing Solutions Limited.</p> <p>vii. “Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.</p> <p>viii. “Depository” shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.</p> <p>ix. “Directors” mean the Directors for the time being of the Company.</p> <p>x. “Dividend” includes any interim dividend.</p> <p>xi. “Document” means a document as defined in Section 2 (36) of the Companies Act, 2013.</p> <p>xii. “Equity Share Capital”, with reference to any Company limited by shares, means all share capital which is not preference share capital;</p> <p>xiii. “KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.</p> <p>xiv. “Managing Director” means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.</p> <p>xv. “Month” means Calendar month.</p> <p>xvi. “Office” means the registered office for the time being of the Company.</p> <p>xvii. “Paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;</p> <p>xviii. “Postal Ballot” means voting by post or through any electronic mode.</p> <p>xix. “Proxy” includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.</p> <p>xx. “Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.</p> <p>xxi. “Registrar” means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various</p>	Interpretation

	<p>functions under this Act.</p> <p>xxii. “Rules” means the applicable rules as prescribed under the relevant sections of the Act for time being in force.</p> <p>xxiii. “SEBI” means Securities &amp; Exchange Board of India established under Section 3 of the Securities &amp; Exchange Board of India Act, 1992.</p> <p>xxiv. “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)</p> <p>xxv. “Share” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.</p> <p>xxvi. “Seal” means the common seal of the Company.</p> <p>xxvii. “Preference Share Capital”, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—  <i>(i)</i> payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and  <i>(ii)</i> repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;</p> <p>xxviii. “Persons” include corporations and firms as well as individuals.</p> <p>Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.</p> <p>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.</p> <p>‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.</p>	
2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	Share Capital
3.	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. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	Issue of Sweat Equity Shares
5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or	Issue of Debentures

	allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	
<b>6.</b>	<ol style="list-style-type: none"> <li>1. 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 fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,— <ol style="list-style-type: none"> <li>1. one certificate for all his shares without payment of any charges; or</li> <li>2. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</li> </ol> </li> <li>2. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</li> <li>3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</li> <li>4. 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.</li> </ol>	Issue of Share Certificate
<b>7.</b>	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
<b>8.</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.	
<b>9.</b>	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company..	
<b>10.</b>	<ol style="list-style-type: none"> <li>1. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</li> <li>2. 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.</li> <li>3. 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.</li> </ol>	Power to pay Commission In connection with the Securities issued
<b>11.</b>	<ol style="list-style-type: none"> <li>1. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms 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.</li> </ol>	Variations of Shareholder's rights

	<p>2. 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>	
<b>12.</b>	<p>The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.</p>	
<b>13.</b>	<p>Subject to the provisions of section 55 and 62, any preference shares may with the sanction of 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>	Issue of Preference Shares
<b>14.</b>	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <ol style="list-style-type: none"> <li>(1) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</li> <li>(2) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</li> <li>(3) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</li> </ol> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>	Further Issue of shares
<b>15.</b>	<ol style="list-style-type: none"> <li>1. The Company shall have a first and paramount lien— <ol style="list-style-type: none"> <li>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</li> <li>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:</li> <li>c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</li> </ol> <p style="text-align: center;">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> </li> <li>2. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</li> </ol>	Lien
<b>16.</b>	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p>	

	<p>Provided that no sale shall be made—</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>	
17.	<p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>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.</p>	
18.	<p>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.</p> <p>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.</p>	
19.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles: -</p> <p>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	Joint Holdings



<p><b>20.</b></p>	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	<p>Calls on Shares</p>	
<p><b>21.</b></p>	<p>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.</p>		
<p><b>22.</b></p>	<p>The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p>		
<p><b>23.</b></p>	<p>1. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>2. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>		
<p><b>24.</b></p>	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these 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.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>		
<p><b>25.</b></p>	<p>The Board—</p> <p>i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>		
<p><b>26.</b></p>	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>		
<p><b>27.</b></p>	<p>The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.</p>		
<p><b>28.</b></p>	<p>The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>		
<p><b>29.</b></p>	<p>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</p> <p>ii. Each share in the Company shall be distinguished by its appropriate number.</p>		<p>Transfer of Shares</p>

	<p>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</p>	
30.	<p>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>	
31.	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <p>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>ii. any transfer of shares on which the Company has a lien.</p> <p>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</p>	
32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <p>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.</p> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <p>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</p> <p>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;</p> <p>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</p>	
33.	<p>The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay</p>	
34.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>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</p>	
35	<p>The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>	
36.	<p>The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.</p>	Register of Transfers
37.	<p>1. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p>	Dematerialisation of Securities

	<ol style="list-style-type: none"> <li>1. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</li> <li>2. Option for Investors:  Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.  If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</li> <li>3. Securities in Depository to be in fungible form: - <ul style="list-style-type: none"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</li> </ul> </li> <li>4. Rights of Depositories &amp; Beneficial Owners: - Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</li> <li>5. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</li> <li>6. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</li> </ol> <ol style="list-style-type: none"> <li>2. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</li> <li>3. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</li> <li>4. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</li> <li>5. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</li> <li>6. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the</li> </ol>	
--	---	--

	<p>Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>7. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	Transmission of Shares
39.	<p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>a. to be registered himself as holder of the share; or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	
40.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these 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.</p>	
41.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
43.	<p>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.</p>	Forfeiture of Shares
44.	<p>The notice aforesaid shall—</p>	

	<ul style="list-style-type: none"> <li>i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</li> <li>ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</li> </ul>	
<b>45.</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>46.</b>	<ul style="list-style-type: none"> <li>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</li> <li>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</li> </ul>	
<b>47.</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	
<b>48.</b>	<ul style="list-style-type: none"> <li>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;</li> <li>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</li> <li>iii. The transferee shall thereupon be registered as the holder of the share; and</li> <li>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.</li> </ul>	
<b>49.</b>	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	
<b>50.</b>	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	
<b>51.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
<b>52.</b>	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
<b>53.</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>54.</b>	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	

55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	Initial payment not to preclude forfeiture
56.	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.	Alteration of Share Capital
57.	<p>Subject to the provisions of section 61, the Company may, by ordinary resolution,—</p> <p>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p>	
58.	<p>Where shares are converted into stock,—</p> <p>i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p>ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</p>	Conversion of Shares into Stock
59.	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, —</p> <p>i. its share capital;</p> <p>ii. any capital redemption reserve account; or</p> <p>iii. Any share premium account.</p>	Reduction of Capital
60.	The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.	Share Warrants



	<p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	
<p><b>61.</b></p>	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <ol style="list-style-type: none"> <li>1. paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>2. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</li> <li>3. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>4. 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;</li> <li>5. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol> <p>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</p>	<p>Capitalization of Profits</p>
<p><b>62.</b></p>	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p>	

	<p>b. generally to do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power—</p> <p>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
<b>63.</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.	Buy back of Shares
<b>64.</b>	All General Meetings other than annual general meeting shall be called extraordinary general meetings	
<b>65.</b>	<ol style="list-style-type: none"> <li>1. The Board may, whenever it thinks fit, call an extraordinary general meeting.</li> <li>2. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</li> <li>3. 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.</li> </ol>	General Meeting
<b>66.</b>	<ol style="list-style-type: none"> <li>1. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</li> <li>2. <ol style="list-style-type: none"> <li>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</li> <li>ii. In any other case, the quorum shall be decided as under: <ol style="list-style-type: none"> <li>1) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</li> <li>2) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</li> </ol> </li> </ol> </li> </ol>	Proceedings at General Meetings
<b>67.</b>	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
<b>68.</b>	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.	
<b>69.</b>	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.	

70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	<ul style="list-style-type: none"> <li>ii. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</li> <li>iii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</li> </ul>	Demand for Poll
73.	<ul style="list-style-type: none"> <li>i. A poll demanded on a question of adjournment shall be taken forthwith.</li> <li>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</li> </ul>	Time of taking Poll
74.	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	Adjournment of Meeting
75.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <ul style="list-style-type: none"> <li>i. on a show of hands, every member present in person shall have one vote; and</li> <li>ii. 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.</li> </ul>	
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</li> </ul>	Voting Rights
78.	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.	
79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the	

	case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
<b>80.</b>	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
<b>81.</b>	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.	
<b>82.</b>	<p>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p>	
<b>83.</b>	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
<b>84.</b>	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	Casting Vote
<b>85.</b>	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	Representation of Body Corporate
<b>86.</b>	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	Circulation of member's Resolution
<b>87.</b>	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	Resolution requiring special notice
<b>88.</b>	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date	Resolutions passed at adjourned meeting
<b>89.</b>	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	Registration of resolutions and agreements
<b>90.</b>	<p>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:</p> <p>in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p>	Minutes of proceedings of general meeting and of Board and other meetings

	<p>The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <ol style="list-style-type: none"> <li>1. the names of the Directors present at the meetings, and</li> <li>2. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</li> </ol> <ol style="list-style-type: none"> <li>3. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: <ol style="list-style-type: none"> <li>a. is or could reasonably be regarded, as defamatory of any person</li> <li>b. is irrelevant or immaterial to the proceedings; or</li> <li>c. in detrimental to the interests of the Company.</li> </ol> </li> <li>4. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</li> </ol>	
<b>91.</b>	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	Minutes to be considered to be evidence
<b>92.</b>	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of reports of proceeding of general meetings
<b>93.</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.	Proxy
<b>94.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
<b>95.</b>	<p>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:</p> <p>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.</p>	
<b>96.</b>	<p>The First Directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>1. Mr. Hitesh Karnawat</li> <li>2. Mr. Lalit Ghewarchand Karnawat</li> </ol>	Board of Directors
<b>97.</b>	The Directors need not hold any “Qualification Share(s)”.	
<b>98</b>	Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:	

	<p>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	
<b>99.</b>	<ol style="list-style-type: none"> <li>1. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</li> <li>2. 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— <ol style="list-style-type: none"> <li>1. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>2. in connection with the business of the company.</li> </ol> </li> </ol>	
<b>100.</b>	The Board may pay all expenses incurred in getting up and registering the company.	
<b>101.</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>102.</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>103.</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>104.</b>	<ol style="list-style-type: none"> <li>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</li> <li>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.</li> </ol>	
<b>105.</b>	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	
<b>106.</b>	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
<b>107.</b>	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	Retirement and Rotation of Directors
<b>108.</b>	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	



109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
110.	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	
112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	Nominee Director
114.	<p>The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.</p> <p>Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.</p>	
115	Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
116.	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	Removal of
117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	Director

118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
119	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-</p> <p>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</p> <p>(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	
120.	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
121	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
122.	<p>If the vacancy is not filled under clause (5) above, it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.</p>	
123.	<p>Nothing in this section shall be taken-</p> <p>a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or</p> <p>b) as derogating from any power to remove a director under other provisions of this Act.</p>	
124.	<p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <p>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or</p> <p>b. In connection with the business of the Company.</p>	Remuneration and sitting fees to Directors including Managing and whole time Directors
125	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them.	

	<p>If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 &amp; 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.</p>	
<p><b>126.</b></p>	<p>1. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <ul style="list-style-type: none"> <li>a. The power to make calls on shareholders in respect of money unpaid on their shares;</li> <li>b. The Power to authorize buy-back of securities under Section 68 of the Act.</li> <li>c. Power to issue securities, including debenture, whether in or outside India</li> <li>d. The power to borrow moneys</li> <li>e. The power to invest the funds of the Company,</li> <li>f. Power to Grant loans or give guarantee or provide security in respect of loans</li> <li>g. Power to approve financial statements and the Board's Report</li> <li>h. Power to diversify the business of the Company</li> <li>i. Power to approve amalgamation, merger or reconstruction</li> <li>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</li> <li>k. Powers to make political contributions;</li> <li>l. Powers to appoint or remove key managerial personnel (KMP);</li> <li>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</li> <li>n. Powers to appoint internal auditors and secretarial auditor;</li> <li>o. Powers to take note of the disclosure of director's interest and shareholding;</li> <li>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</li> <li>q. Powers to invite or accept or renew public deposits and related matters;</li> <li>r. Powers to review or change the terms and conditions of public deposit;</li> <li>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</li> </ul> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>2. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>3. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>4. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p>	<p><b>Powers and duties of Directors:</b></p> <p><b>Certain powers to be exercised by the Board only at meeting</b></p>

	<p>5. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	
127.	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting:</p> <ul style="list-style-type: none"> <li>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</li> <li>b) remit, or give time for the repayment of any debt, due by a Director;</li> <li>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</li> <li>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</li> <li>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</li> </ul> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <ul style="list-style-type: none"> <li>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</li> <li>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</li> </ul> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	<p><b>Restriction on powers of Board</b></p>
128.	<p>Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.</p>	
129.	<p>Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any</p>	<p>General powers of the Company vested in Directors</p>

	prior act of the Directors which would have been valid if such regulation had not been made.	
130.	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <ol style="list-style-type: none"> <li>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</li> <li>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</li> <li>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</li> <li>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</li> <li>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</li> <li>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</li> <li>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</li> <li>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay</li> </ol>	Specific Power given to Directors

	<p>money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or</p>	
--	---	--



	<p>were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
<p><b>131.</b></p>	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office</p>	<p><b>MANAGING DIRECTORS</b></p> <p>Power to appoint Managing or Whole-time Directors</p>

	<p>of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	
<b>132.</b>	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	Proceedings of the Board
<b>133.</b>	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
<b>134.</b>	<p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	
<b>135</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>136.</b>	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
<b>137.</b>	<p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>b) 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.</p>	
<b>138.</b>	<p>a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>	
<b>139.</b>	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	
<b>140.</b>	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>	
<b>141.</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.	
<b>142.</b>	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	
<b>143.</b>	Subject to the provisions of the Act—	

	<p>a) 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;</p> <p>b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</p>	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer
<b>144.</b>	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, 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.	
<b>145.</b>	<p>a) The Board shall provide for the safe custody of the seal.</p> <p>b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.</p>	The Seal
<b>146.</b>	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	
<b>147.</b>	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.	
<b>148.</b>	<p>a) 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.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	
<b>149.</b>	<p>a) 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.</p> <p>b) 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.</p> <p>c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	Dividends and Reserve
<b>150.</b>	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.	
<b>151.</b>	<p>a) 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.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
<b>152.</b>	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.	

153.	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.	
154.	<p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>	
155.	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
156.	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
157.	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
158.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	Accounts
159.	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <ol style="list-style-type: none"> <li>i. be kept at the registered office of the Company, and</li> <li>ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</li> </ol> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p>	Inspection of Statutory Documents of the Company:
160.	<p>Register of charges:</p> <p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p>	

	<p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <ol style="list-style-type: none"> <li>a. by any member or creditor without any payment of fees; or</li> <li>b. by any other person on payment of such fees as may be prescribed,</li> </ol> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	
<b>161.</b>	<ol style="list-style-type: none"> <li>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</li> <li>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</li> <li>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</li> <li>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</li> </ol>	Audit
<b>162.</b>	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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 others securities whereon there is any liability.</li> </ol>	Winding up
<b>163.</b>	<p>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 Subject to the provisions of Chapter XX of the Act and rules made there under—</p>	Indemnity
<b>164.</b>	<ol style="list-style-type: none"> <li>(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</li> <li>(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</li> </ol>	Secrecy

## **SECTION XV – 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 the Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Draft Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Agreement dated September 23, 2021 between our Company and Beeline Broking Limited as Lead Manager to the Issue.
2. Agreement dated September 09, 2021 executed between our Company and the Registrar to the Issue (KFin Technologies Private Limited)
3. Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●] between our Company, Lead Manager and Underwriters.
6. Tripartite Agreement dated [●] among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated [●] among NDSL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated March 08, 2021 issued by the Registrar of Companies, Centre Registration Centre
3. Certificate of Incorporation dated August 27, 2021 consequent upon conversion from Private company to Public Company.
4. Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause issued by Registrar of Companies dated September 03, 2021.
5. Copy of the Board Resolution dated September 01, 2021 authorizing the Issue and other related matters.
6. Copy of Shareholder's Resolution dated September 04, 2021 authorizing the Issue and other related matters.
7. Copies of Audited Financial Statements of our Company for the stub period ended on July 31, 2021 and for the year ended March 31, 2021.
8. Peer Review Auditors Report dated September 16, 2021 on Restated Financial Statements of our Company for the stub period ended on July 31, 2021 and for the year ended March 31, 2021.
9. Copy of the Statement of Special Tax Benefits dated September 16, 2021 from the Statutory Auditor.
10. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to our Company, Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Peer Review Auditor, Promoter of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated September 29, 2021 for approval of Draft Prospectus, dated [●] for approval of Prospectus
12. Due Diligence Certificate from Lead Manager dated September 29, 2021 filed with BSE and dated [●] filed with SEBI.
13. Approval from BSE vide letter dated [●] to use the name of BSE in the Prospectus for listing of Equity Shares on the SME Platform of the BSE.



**DECLARATION**

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by 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 while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

\_\_\_\_\_  
**Mr. Hitesh Karnawat**  
*Chairman and Managing Director*  
DIN: 09097273

\_\_\_\_\_  
**Mr. Lalit Ghewarchand Karnawat**  
*Whole-time Director*  
DIN: 09097273

\_\_\_\_\_  
**Mrs. Mayuri Karnawat**  
*Whole-time Director*  
DIN: 09276591

\_\_\_\_\_  
**Mr. Adesh Bhansali**  
*Non-Executive Independent Director*  
DIN: 09298681

\_\_\_\_\_  
**Mr. Praveen Kumar Bokariya**  
*Non-Executive Independent Director*  
DIN: 08028204

\_\_\_\_\_  
**Mr. Neelabh Gotecha**  
*Non-Executive Independent Director*  
DIN: 09298749

**SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY: -**

\_\_\_\_\_  
**Mrs. Mayuri Karnawat**  
*Chief Financial Officer*

\_\_\_\_\_  
**Mrs. Ratika Khandelwal**  
*Company Secretary and Compliance Officer*

**Date – September 29, 2021**

**Place – Jodhpur**