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# SIDDHI COTSPIN LIMITED

Corporate Identity Numbers: U17123GJ2015PLC085135

REGISTERED OFFICE		CORPORATE OFFICE		CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat- 382240		322, 3rd Floor, Swaminarayan Plaza - 1 Nr.Gokulesh Petrol Pump Narol, Ahmedabad, Gujarat-382405		Mr. Jagdish Shamjibhai Kanzariya	Tel No: +91 70690 08810 Email Id: <a href="mailto:cs@siddhicotspin.com">cs@siddhicotspin.com</a>	<a href="http://www.siddhicotspin.com">www.siddhicotspin.com</a>
<b>PROMOTERS OF OUR COMPANY: MR. NAVIN SARAOGI AND MR. AANSH RAJESH BINDAL</b>						
<b>DETAILS OF THE OFFER</b>						
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL OFFER SIZE	ELIGIBILITY		
Fresh Issue & Offer for Sale	Upto 4944000 Equity Shares aggregating to ₹ [●] Lakhs	Upto 1524000 Equity Shares aggregating to ₹ [●] Lakhs	Upto 6468000 Equity Shares aggregating to ₹ [●] Lakhs	The Offer is being made pursuant to Regulation 229(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").		
<b>DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION</b>						
Name of Selling Shareholders		Type	Number of Equity Shares Offered/Amount (₹ in Lakhs)		Weighted Average Cost of Acquisition (In ₹ per Equity Shares)*#	
Mr. Navin Saraogi		Promoter Selling Shareholder	Upto 6,54,802 Equity Shares aggregating to ₹ [●] Lakhs		14.66	
Mrs. Vineeta Vishal Chiripal		Selling Shareholder	Upto 8,69,198 Equity Shares aggregating to ₹ [●] Lakhs		31.82	
*Calculated on a fully diluted basis.						
# As certified by the Independent Chartered Accountant, by way of their certificate dated April 29, 2024.						
<b>RISK IN RELATION TO THE FIRST OFFER</b>						
The face value of the Equity Shares is ₹ 10/- each. The Floor Price, the Cap Price and the Offer Price to be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in "Basis for Offer Price" on page 83 or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily Gujarati regional newspaper with wide circulation at least two working days prior to the Bid/Offer Opening Date, 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.						
<b>GENERAL RISKS</b>						
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to section titled "Risk Factors" appearing on page 24 of this Draft Red Herring Prospectus.						
<b>COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY</b>						
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made by it in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, does not assume responsibility for any other statement, including without limitation, any and all statements made by or relating to our Company or its business or any other Selling Shareholder(s) or any other person(s), in this Draft Red Herring Prospectus.						
<b>LISTING</b>						
The Equity Shares offered through Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Offer, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").						
<b>BOOK RUNNING LEAD MANAGER TO THE OFFER</b>						
NAME AND LOGO		CONTACT PERSON	EMAIL & TELEPHONE			
 SWASTIKA INVESTMART LIMITED		Mr. Mohit R. Goyal	Telephone Number: +91-22-26254568-69 Email Id: <a href="mailto:merchantbanking@swastika.co.in">merchantbanking@swastika.co.in</a>			
<b>REGISTRAR TO THE OFFER</b>						
NAME AND LOGO		CONTACT PERSON	EMAIL & TELEPHONE			
 KFIN TECHNOLOGIES LIMITED		Mr. M Murali Krishna	Email: <a href="mailto:scpl.ipo@kfintech.com">scpl.ipo@kfintech.com</a> Tel. No: +91 40 6716 2222			
<b>BID/OFFER PERIOD</b>						
ANCHOR INVESTOR BIDDING DATE : [●]*		BID/OFFER OPENS ON: [●]		BID/OFFER CLOSES ON: [●]**		

\*Our Company and the Selling Shareholder have in consultation with the Book Running Lead Manager, considered participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period was open one Working Day prior to the Bid/Offer Opening Date.

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

^UPI mandate end time and date shall be 5:00 pm on the Bid/ Offer Closing Date.



# SIDDHI COTSPIN LIMITED

Corporate Identity Numbers: U17123GJ2015PLC085135

Our Company was incorporated on November 23, 2015, as "Siddhi Cotspin Private Limited", a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated November 23, 2015, issued by the Assistant Registrar of Companies, Ahmedabad. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our Shareholders at an extraordinary general meeting held on January 29, 2024, and a fresh certificate of incorporation dated February 12, 2024 was issued by the Registrar of Companies, Ahmedabad consequent upon conversion, recording the change in the name of our Company to "Siddhi Cotspin Limited". For further details in relation to the change in the name and registered office of our Company, see "History and Certain Corporate Matters" beginning on page 141 of this Draft Red Herring Prospectus.

**Registered Office:** Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat- 382240

**Corporate Office:** 322, 3rd Floor, Swaminarayan Plaza -1 Nr.Gokulesh Petrol Pump Narol, Ahmedabad, Gujarat-382405

**Website:** [www.siddhicotspin.com](http://www.siddhicotspin.com); **E-Mail:** [cs@siddhicotspin.com](mailto:cs@siddhicotspin.com); **Telephone No:** +91 70690 08810

**Company Secretary and Compliance Officer:** Mr. Jagdish Shamjibhai Kanzariya

**PROMOTERS OF OUR COMPANY: MR. NAVIN SARAOGI AND MR. AANSH RAJESH BINDAL**

## THE OFFER

INITIAL PUBLIC OFFER OF UPTO 6468000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF SIDDHI COTSPIN LIMITED ("SCL" OR THE "COMPANY" OR THE "OFFEROR") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE OFFER") COMPRISING OF A FRESH ISSUE UPTO 4944000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 1524000 EQUITY SHARES BY PROMOTER SELLING SHAREHOLDER- MR. NAVIN SARAOGI AND SELLING SHAREHOLDER - MRS. VINEETA VISHAL CHIRIPAL AGGREGATING TO ₹ [●] LAKHS ("OFFER FOR SALE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. NET OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLM ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND AHMEDABAD EDITION OF [●] REGIONAL NEWSPAPER GUJARATI REGIONAL LANGUAGE OF GUJARAT WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED "TERMS OF THE OFFER" BEGINNING ON PAGE 206 OF THIS DRAFT RED HERRING PROSPECTUS.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders are required to participate in the Offer by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "Offer Procedure" on page 217.

All potential investors shall participate in the Offer through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Offer Procedure" on page 217 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.

## RISK IN RELATION TO THE FIRST OFFER

This being the first public Offer of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price, the Cap Price and the Offer Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares offered in the Offer have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 24 of this Draft Red Herring Prospectus.

## COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

The Offeror, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only the statements specifically made by it in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, does not assume responsibility for any other statements, including without limitation, any and all statements made by or relating to our Company or its business or any other Selling Shareholder(s) or any other person(s), in this Draft Red Herring Prospectus.

## LISTING

The Equity Shares offered through Red Herring Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in Offer document for listing our shares on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). For this Offer, the designated Stock Exchange is the National Stock Exchange of India Limited ("NSE").

## BOOK RUNNING LEAD MANAGER

## REGISTRAR TO THE OFFER



**SWASTIKA INVESTMART LIMITED**  
SEBI Registration Number: INM000012102  
Merchant Banking Division: Flat No.18, 2nd Floor, North Wing, Madhaveshwar Co-op- Hsg Society Ltd, Madhav Nagar, 11/12, S. V. Road, Andheri W, Mumbai- 400058 (Maharashtra).  
Telephone Number: +91-22-26254568-69  
Email Id: [merchantbanking@swastika.co.in](mailto:merchantbanking@swastika.co.in)  
Investors Grievance Id: [investorgrievance@swastika.co.in](mailto:investorgrievance@swastika.co.in)  
Website: [www.swastika.co.in](http://www.swastika.co.in)  
Contact Person: Mr. Mohit R. Goyal  
CIN: L65910MH1992PLC067052

**KFIN TECHNOLOGIES LIMITED**  
SEBI Registration Number: INR000000221  
Address: Selenium Tower-B, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Hyderabad - 500 032, Telangana  
Tel. Number: +91 40 6716 2222 Toll Free No- 1800 309 4001  
Contact Person: M Murali Krishna  
Email Id: [scpl ipo@kfintech.com](mailto:scpl ipo@kfintech.com)  
Investors Grievance Id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)  
CIN: L72400TG2017PLC117649

## BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE: [●]\*

BID/OFFER OPENS ON: [●]\*

BID/OFFER CLOSES ON: [●]\*\*

\*Our Company and the Selling Shareholder have in consultation with the Book Running Lead Manager, considered participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period was open one Working Day prior to the Bid/Offer Opening Date.

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

^UPI mandate end time and date shall be 5:00 pm on the Bid/ Offer Closing Date.

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## SECTION I – DEFINATIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies, shall have the meanings as provided below. References to any legislation, act, regulations, rules, guidelines, policies, circulars, notifications or clarifications shall be deemed to include all amendments, supplements, re-enactments and modifications thereto from time to time, and any reference to a statutory provision shall include any subordinate legislation framed from time to time thereunder that provision.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein will have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations framed thereunder.*

*Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Basis for Offer Price", "Restated Financial Information", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of the Articles of Association" beginning on pages 96, 132, 93, 83, 163, 181 and 245 of this Draft Red Herring Prospectus, respectively, will have the meaning ascribed to them in the relevant section.*

### GENERAL TERMS

Term	Description
Siddhi Cotspin Limited/ SCL/ The Company/ Company/ We/ Us/ Our Company	Siddhi Cotspin Limited, a public limited company, registered under the Companies Act, 2013 and having its Registered Office at Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Ahmedabad, Gujarat-382240.
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our company and our Subsidiary as applicable as at during such financial year/period

### COMPANY RELATED TERMS

Term	Description
AoA/ Articles of Association/ Articles	The articles of association of our Company, as amended from time to time.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Chapter 177 of the Companies Act, 2013. For further details regarding Audit Committee, please refer to chapter titled “Our Management” beginning from page no. 145 of this Draft Red Herring Prospectus.
Auditor/ Statutory Auditor	The statutory auditor of our Company, being M/s Vijay Moondra & Co., Chartered Accountants (Firm Registration No.112308W) as mentioned in the section titled “General Information” beginning on page 47 of this Draft Red Herring Prospectus.
Bankers to the Company	Canara Bank
Board/ Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
CIN	Corporate Identification Number being U17123GJ2015PLC085135
Chief Financial Officer / CFO	Chief financial officer of our Company Mr. Vardhaman Parimalkumar Shah. For details, see "Our Management" on page 145 of this Draft Red Herring Prospectus.
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable.
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, Mr. Jagdish Shamjibhai Kanzariya. For details, see "Our Management" on page 145 of this Draft Red Herring Prospectus.
Corporate Office	The corporate office of our Company, situated at 322, 3rd Floor, Swaminarayan Plaza -1 Nr. Gokulesh Petrol Pump Narol, Ahmadabad, Gujarat, India, 382405
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulation 1996 as amended from time to time, being National Securities Depository Limited (NDSL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996 as amended from time to time.
DIN	Directors Identification Number.

<b>Term</b>	<b>Description</b>
Director(s)	Director(s) on the board of our Company, as appointed from time to time.
DP /Depository participant	A depository participant as defined under the Depositories Act, 1996.
DP ID	Depository Participant's Identification Number.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company
Executive Director(s)	Whole-time directors/ Executive Directors on our Board
Financial Statements as Restated/ Restated Financial Information / Restated Financial Statements	The Restated Financial Information of our Company, which comprises the Restated Statement of assets and liabilities, the Restated Statement of profit and loss, the Restated Statement of cash flows for the period ended December 31, 2023 and for the year ended March 31, 2023, 2022, 2021 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 26 and 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
Group Companies	Group Companies as defined under Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, "Group companies shall include such companies (other than our Promoters and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Information as covered under the applicable accounting standards, and as disclosed in chapter titled "Information with respect to Group Companies" beginning from page no. 188 of this Draft Red Herring Prospectus
Independent Director(s)	A Non-Executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number, being INE0SVO01019
Key Managerial Personnel/ KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "Our Management" beginning on page 145 of this Draft Red Herring Prospectus
Materiality Policy	The policy on identification of group companies, material creditors, material projects and material litigation, adopted by our Board on March 28, 2024 in accordance with the requirements of the SEBI ICDR Regulations.
MD	Managing Director of our Company, being Mr. Navin Saraogi
MoA/ Memorandum/ Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For further details regarding Nomination and Remuneration Committee, please refer to chapter titled "Our Management" beginning from page no. 145 of this Draft Red Herring Prospectus.
Non-executive Director(s)	The Non-Executive Director(s) of our Company
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000.
Promoters	The promoters of our Company, being Navin Saraogi and Aansh Rajesh Bindal as disclosed in "Our Promoters and Promoter Group" beginning on page 158 of this Draft Red Herring Prospectus
Promoter Group	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details regarding promoter group of our company, please refer to chapter titled "Our Promoters and Promoter Group" beginning from page no. 158 of this Draft Red Herring Prospectus.
Registered Office	The registered office of our Company, situated at Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat-382240
Registrar of Companies or RoC	The Registrar of Companies, Ahmedabad.

<b>Term</b>	<b>Description</b>
Peer Reviewed Auditor	The Peer Reviewed Auditor of our Company, being M/s. JPMK & Co., Chartered Accountants, holding a valid peer review certificate, as mentioned in the section titled “General Information” beginning on page 47 of this Draft Red Herring Prospectus
Senior Management Personnel	“Senior Management” shall mean the officers and personnel of the Offeror company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.
Stakeholders' Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For further details regarding Stakeholders Relationship Committee, please refer to chapter titled “Our Management” from page no. 145 of this Draft Red Herring Prospectus.
Whole-time Director(s)/WTD	Whole-Time Director of our Company, being Mr. Ansh Rajesh Bindal
You or Your or Yours	Prospective Investors in this Offer.

#### **OFFER RELATED TERMS**

<b>Terms</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and Offer for Sale pursuant to successful Bidders.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and which includes applications made by UPI Bidders using the UPI Mechanism where the Bid Amount was blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidder with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds were blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and included a bank account maintained by a UPI Bidder linked to a UPI ID, which was blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism.
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which was considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Allotment	Offer of the Equity Shares pursuant to the Offer to the successful applicants
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our

Terms	Description
	Company and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
“Anchor Investor Bidding Date” or “Anchor Investor Bid/ Offer Period”	The day, being one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Offer and which is described in paragraph titled ‘ <i>Basis of allotment</i> ’ under chapter titled “ <i>Offer Procedure</i> ” starting from page no. 217 of this Draft Red Herring Prospectus.
Bid	An indication to make an Offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “ <i>Bidding</i> ” shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	The date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), [●] and editions of Gujarat (a widely circulated Regional language daily newspaper) (Gujarati being the regional language of Gujarat, where our Registered Office is located). Our Company in consultation with the BRLM, may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), [●] and editions of Gujarat (a widely circulated Regional language daily

Terms	Description
	newspaper) (Gujarati being the regional language of Gujarat, where our Registered Office is located).
Bid/ Offer Period	<p>The period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Offer Period for the QIB Portion One Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days</p>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of Draft Red Herring Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Offer, in this case being Swastika Investmart Limited, SEBI Registered Category I Merchant Banker.
Bankers to the Offer and Refund Banker	[●]
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, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
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
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price will not be finalised and above which no Bids will be accepted
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

<b>Terms</b>	<b>Description</b>
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Offer and the Stock Exchange.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
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
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus, after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder 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 bidder can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where bidder can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Intermediaries/Collecting Agent	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Offer.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
DP ID	Depository Participant’s Identity Number
Draft Red Herring Prospectus	Draft Red Herring prospectus dated May 01, 2024 issued in accordance with Section 32 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
Engagement Letter	The Engagement letter dated September 18, 2023 executed between Offeror and BRLM.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Emerge Platform of NSE	The EmERGE Platform of NSE for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations which was approved by SEBI as an NSE EmERGE on October 14, 2011.
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 Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Escrow Account	Accounts opened with the Banker to the Offer
First/ Sole bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price will be finalised and below which no Bids will be accepted

Terms	Description
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
Fresh Issue	The Fresh Issue of up to 4944000 Equity Shares aggregating up to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (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 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number
IPO/ Offer/ Offer Size/ Public Offer	Initial Public Offering
Offer document	Includes Red Herring Prospectus and Prospectus filed with Registrar of Companies.
Offer Period	The periods between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application
Offer Proceeds	Proceeds to be raised by our Company through this Fresh Offer, for further details please refer chapter titled “Objects of the Offer” page 71 of this Draft Red Herring Prospectus
Offer/ Offer Size/ Initial Public Offer/ Initial Public Offer/ Initial Public Offering/ IPO	The initial public offering of upto 6468000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs comprising the Fresh Issue of upto 4944000 equity shares and offer for sale of upto 1524000 equity shares.
Offer Price	The price at which the Equity Shares are being issued by our Company through this Draft Red Herring Prospectus, being ₹ [●] /- (including share premium of ₹ [●] /- per Equity Share).
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Market Maker	The Market Maker to the Offer, in this case being [●].
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹ 10 each at an Offer price of ₹ [●] each aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Offer.
Materiality Policy	The policy adopted by our Board on March 28, 2024, for identification of material outstanding litigation involving our Company, Directors or Promoters, in accordance with the disclosure requirements under the SEBI ICDR Regulations, for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Offer	The Offer excluding the Market Maker Reservation Portion of [●] Equity Shares of Face Value of ₹ 10.00 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company.

<b>Terms</b>	<b>Description</b>
Net Proceeds	The proceeds from the Fresh Issue and Offer for Sale less the Offer related expenses applicable to the Fresh Issue and Offer for Sale.
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Offer Document	Offer Document includes Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.
Offer	The initial public offer of up to 6468000 Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] lakhs, comprising of the Fresh Issue, Offer for Sale.
Offer for Sale	Offer for sale of upto 1524000 equity shares by Selling Shareholders – Mr. Navin Saraogi and Mrs. Vineeta Vishal Chiripal aggregating to ₹ [●] lakhs.
Offer Agreement	The offer agreement dated April 17, 2024, entered into between our Company, the Selling Shareholders and the Book Running Lead Manager, pursuant to which certain arrangements are agreed upon in relation to the Offer.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Offer Opening Date
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	Account opened with the Bankers to the Offer to receive monies from the SCSBs from the bank account of the ASBA bidder, on the Designated Date.
Public Offer Account Agreement	Agreement to be entered into by our Company, the Registrar to the Offer, the Book Running Lead Manager, and the Public Offer Bank/Banker to the Offer for collection of the Application Amounts.
Qualified Institutional Buyers / QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Offer, including any addenda or corrigenda thereto
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Offer from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Registrar / Registrar to the Offer	Registrar to the Offer being Kfin Technologies Limited.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Retail Individual Investors /(RII)	Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹. 2,00,000.

<b>Terms</b>	<b>Description</b>
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="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion.
Reservation Portion	The portion of the Offer reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	The form used by the bidders to modify the quantity of Equity Shares or the bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Offer) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Selling shareholders	Mr. Navin Saraogi and Mrs. Vineeta Vishal Chiripal
Sponsor Bank	The Banker to the Offer registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriter	The BRLM who has underwritten this Offer pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company dated [●].
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022 and any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

Terms	Description
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Draft Red Herring Prospectus are open for business: - However, in respect of announcement of price band and Offer Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Prospectus are open for business. In respect to the time period between the Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.

#### INDUSTRY/BUSINESS RELATED TERMS OR ABBREVIATIONS

Term	Description
AEPC	Apparel Export Promotion Council
ATUFS	Amended Technology Upgradation Fund Scheme
ASEAN	Association of Southeast Asian Nations
BOT	Build-Operate-Transfer
CAD	Current Account Deficit
CCEA	Cabinet Committee on Economic Affairs
CHS	Crop Health Science
CoE	Centers of Excellence
CoEK	Center of Excellence for Khadi
CPI	Consumer Price Index
DGFT	Directorate General of Foreign Trade
DRDO	Defence Research and Development Organization
EAP	East, Asia & Pacific
ECA	Europe and Central Asia
ECGLS	Emergency Credit Line Guarantee Scheme
EMDE	Emerging Market & Developing Economies
GOTS	Global Organic Textile Standard
HEPC	Handloom Export Promotion Council
HMA	Handloom Marketing Assistance
HPSHHCL	Himachal Pradesh State Handicrafts and Handloom Corporation Ltd
ICAR	Indian Council of Agricultural Research
IIP	Index of industrial Production
KVIC	Khadi and Village Industries Commission
LAC	Latin America and the Caribbean
MEIS	Merchandise Exports from India Scheme
MITRA	Mega Integrated Textile Region and Apparel
MMF	Man-Made Fibre
MNA	Middle East and North Africa
MoSPI	Ministry of Statistics & Programme Implementation
Mtrs	Meters
NABARD	National Bank for Agriculture and Rural Development
NHDP	National Handloom Development Programme
NIFT	National Institute of Fashion Technology
NTTM	National Technical Textile Mission
PPP	Public-Private Partnership
RMG	Ready-made Garments
RoSCTL	Rebate of State and Central Taxes and Levies

SAR	South Asia region
SASMIRA	Synthetic and Art Silk Mills Research Association
SCBTS	Scheme for Capacity Building in Textile Sector
SSA	Sub-Saharan Africa
TEXPROCIL	The Cotton Textiles Export Promotion Council
UNCTAD	United Nations Conference on Trade and Development

#### CONVENTIONAL TERMS / GENERAL TERMS / ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CFSS	Companies Fresh Start Scheme under Companies Act, 2013
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director identification number
DP/ Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
DP ID	Depository Participant's Identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EMDE	Emerging Market and Developing Economy
EoGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Fis	Financial Institutions

<b>Term</b>	<b>Description</b>
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government/Gol	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
LIC	Low-Income Country
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time

<b>Term</b>	<b>Description</b>
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the NSE
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.

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

### Certain Conventions

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

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”).

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

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, “the Company”, “our Company”, “Siddhi”, “SCL” unless the context otherwise indicates or implies, refers to “Siddhi Cotspin Limited”. In this Draft Red Herring 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 Lacs / Lakhs”, the word “Crore” means “ten millions” and the word “billion (bn)” means “one hundred crores”.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus. Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in IST.

### Financial Data

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year and accordingly, all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus, are to a calendar year and references to a Fiscal/Fiscal Year/Financial Year are to the year ended on March 31, of that calendar year. Certain other financial information pertaining to our Group Companies are derived from their respective audited financial statements.

Unless stated otherwise, the financial information, financial ratios and any percentage amounts in the Draft Red Herring Prospectus is derived from restated financial statements prepared for the period ended December 31, 2023 and for the year ended on March 31, 2023, 2022 and 2021 in accordance with Indian GAAP, the Companies Act, SEBI (ICDR) Regulations and the guidance note on reports in company prospectuses (revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.

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 Red Herring 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 Red Herring 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 reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited.

For additional definitions used in this Draft Red Herring Prospectus, please refer to the section titled “*Definitions and Abbreviations*” beginning from page 1 of this Draft Red Herring Prospectus. In the chapter titled “*Description of Equity Shares and Terms of the Articles of Association*”, on page 245 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

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

### Currency and Units of Presentation

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

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

Currency*	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.19	82.11	75.90	73.16

\*Source: [www.xe.com/](http://www.xe.com/)

*Note: Exchange rate is rounded off to two decimal point*

### Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the Draft Red Herring 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 Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM 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, methodologies, and assumptions may vary widely among different market and industry sources.

The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. The data used in these sources may have been reclassified by us for the purposes of presentation. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the chapter titled “*Risk Factors*” beginning from page no. 24.

In accordance with the SEBI (ICDR) Regulations, the chapter titled “*Basis for Offer Price*” on page 83 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

## FORWARD – LOOKING STATEMENTS

All statements contained in this Draft Red Herring 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 Red Herring Prospectus regarding matters that are not historical facts. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

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

- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to attract, retain and manage qualified personnel;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Our ability to expand our geographical area of operation
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition.
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products/services;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments.
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause our actual results to differ, please refer to the section titled “*Risk Factors*”; “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning from page 24, 109 and 165 respectively of the Draft Red Herring 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, Book Running 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 Book Running 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 Offer.

## SECTION II - SUMMARY OF DRAFT RED HERRING PROSPECTUS

### PRIMARY BUSINESS OF THE COMPANY

Our Company was originally formed and registered as a Private Limited under the Companies Act, 2013 (“Companies Act”) under the name and style of “Siddhi Cotspin Private Limited”, pursuant to a Certificate of Incorporation dated November 23, 2015 issued by Registrar of Companies, Gujarat. Later on, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on January 29, 2024 and the name of our Company was changed to “Siddhi Cotspin Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated February 12, 2024 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U17123GJ2015PLC085135.

Our company is benefited from the extensive experience of our Promoter and Managing Director, Mr. Navin Saraogi who is associated with our company since the incorporation and having experience of more than 20 (Twenty) years in the textile industry. Our Board of Directors and other Key Managerial Personnel has also provided significant contribution in the growth of our company.

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. We have set up a Greenfield project of manufacturing cotton yarn including value added and specialty yarn at Unit No.13, Sub Plot No. 18, Survey No. 279 & 280, Village Dholi, Taluka Dholka, District Ahmedabad, Gujarat – 382240, with a total spinning capacity of 29,376 spindles. The installed unit is capable of producing cotton yarn including value added yarns. Our current capacity for producing Cotton Yarn is 90,11,850 Kgs.

Our Manufacturing facility is equipped with modern and automatic plant and machinery. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team in spinning is well equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn. Technology is a crucial aspect of the cotton yarn industry. Our experienced team of technicians and operators ensure that every batch of cotton yarn produced meets the highest quality parameters. We have implemented a comprehensive quality management system that covers every stage of production. We conduct rigorous testing and inspection of raw materials, intermediate products and final yarns to ensure they meet the specified standards. We are committed to sustainable manufacturing practices and environmental responsibility. Our processes are designed to minimize waste, conserve energy and reduce the environmental impact. We have built strong relationship with a diverse range of clients, including textile manufacturers, garment exporters and distributors. Our emphasis on quality, reliability and timely delivery has helped us establish long term partnerships with our customers.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

#### TEXTILE SECTOR

- India is the world’s second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4.6% share of the global trade in textiles and apparel.
- India is the world's 3rd largest exporter of Textiles and Apparel.
- The textiles and apparel industry contributes 2.3% to the country’s GDP, 13% to industrial production and 12% to exports.
- The textile industry has around 45 million workers employed in the textiles sector, including 3.5 million handloom workers.
- During (April-March) 2022-23, the total exports of textiles (including handicrafts) stood at US\$ 36.68 billion.
- India’s textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY.
- The Indian textile industry has made a mark in the world with its innovative and attractive products.
- Total textile exports are expected to reach US\$ 65 billion by FY26.
- The Indian textile and apparel industry is expected to grow at 10%
- CAGR from 2019-20 to reach US\$ 190 billion by 2025-26.

### NAME OF PROMOTERS

Promoters of Our Company is Mr. Navin Saraogi and Mr. Aansh Rajesh Bindal. For detailed information on our Promoter and Promoter’s Group, please refer to Chapter titled “*Our Promoter and Promoter’s Group*” on page 158 of this Draft Red Herring Prospectus.

## SIZE OF THE OFFER

Initial Public Offer of upto 6468000 Equity Shares of face value of ₹ 10/- each of Siddhi Cotspin Limited (“SCL” or the “Company” or the “Offeror”) for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “offer price”) aggregating to ₹ [●] lakhs (the “offer”) comprising of a fresh issue upto 4944000 equity shares aggregating to ₹ [●]/- lakhs (the “fresh issue”) and an offer for sale of upto 1524000 equity shares by Promoter Selling Shareholder- Mr. Navin Saraogi and selling shareholder – Mrs. Vineeta Vishal Chiripal aggregating to ₹ [●]/- lakhs (“Offer for Sale”), of which [●] equity shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs will be reserved for subscription by market maker to the offer (the “market maker reservation portion”). The offer less the market maker reservation portion i.e. net offer of [●] equity shares of face value of ₹ 10/- each at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs is herein after referred to as the “net offer”. The Offer and the Net Offer will constitute [●] % and [●] %, respectively, of the post offer paid up equity share capital of our company. the face value of the equity shares is ₹ 10/- each.

The price band will be decided by our company in consultation with the book running lead manager (“BRLM”) and will be advertised in all editions of the English national newspaper, all editions of the Hindi national newspaper and regional language newspaper, each with wide circulation, at least 2 (two) working days prior to the bid/ offer opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the emerge platform of National Stock Exchange of India Limited (“NSE Emerge”, referred to as the “Stock Exchange”) for the purpose of uploading on their website for further details kindly refer to chapter titled “Terms of the Offer” beginning on page 206 of this Draft Red Herring Prospectus.

## OBJECT OF THE OFFER

Particulars	Amount (₹ in Lakhs)
Gross Proceeds	[●]*
Less: Estimated Offer expenses to the extent applicable to the Fresh Issue	[●]
<b>Net Proceeds</b>	<b>[●]*</b>

*\*To be finalized upon determination of the Offer Price and updated in the Prospectus at the time of filing with the RoC.*

## UTILIZATION OF NET OFFER PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

Sr. No.	Particulars	Amount (₹ in) Lakhs	% of Gross Proceeds
1.	Funding the working capital requirements	2,510.00	[●]
2.	Repayment or prepayment of all or a portion of certain outstanding borrowings	896.50	[●]
3.	General Corporate Purposes <sup>^</sup>	[●]	[●]
<b>Net Proceeds</b>		<b>[●]</b>	<b>[●]</b>

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

## MEANS OF FINANCE

The entire requirements of the objects detailed above are intended to be funded from the Net Proceeds and internal accruals. Accordingly, we confirm that there is no need for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue under Regulation 7(1)(e) of the SEBI ICDR Regulations and Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations. Subject to applicable laws, in case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lender.

## SHAREHOLDING

The shareholding pattern of our Promoters, Promoter’s Group and public before the Offer is as under:

Sr. No.	Name of shareholders	Pre-Offer		Post Offer	
		No. of equity shares	As a % of Pre-Offer Capital*	No. of equity shares	As a % of Post Offer Capital
<b>Promoter</b>					
1.	Navin Saraogi	87,52,858	44.97	[•]	[•]
2.	Aansh Rajesh Bindal	79,02,167	40.60	79,02,167	[•]
<b>Total - A</b>		<b>1,66,55,025</b>	<b>85.57</b>	<b>[•]</b>	<b>[•]</b>
<b>Promoter's Group</b>					
1.	NA	NA	NA	NA	NA
<b>Total - B</b>		<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Total Promoter &amp; Promoter Group Shareholding</b>		<b>1,66,55,025</b>	<b>85.57</b>	<b>[•]</b>	<b>[•]</b>
<b>Public</b>					
1.	Patel Dashrathbhai	440	Negligible	440	[•]
2.	Shaileshkumar B Patel	440	Negligible	440	[•]
3.	Vineeta Vishal Chiripal	8,69,198	4.47	0	[•]
4.	Yogesh Manharbhai Raval	440	Negligible	440	[•]
5.	Pushpa P. Bindal	17,77,101	9.13	17,77,101	[•]
6.	Sarthak Bindal	76,626	0.39	76,626	[•]
7.	Sanjana Sanjay Bindal	76,621	0.39	76,621	[•]
8.	Sudhir Kumar Jain	6,600	0.03	6,600	[•]
9.	Public Issue	-	-	[•]	[•]
<b>Total - C</b>		<b>28,07,466</b>	<b>14.43</b>	<b>[•]</b>	<b>[•]</b>
<b>Total (A+B+C)</b>		<b>1,94,62,491</b>	<b>100.00</b>	<b>[•]</b>	<b>[•]</b>

\*Rounded off

## FINANCIAL DETAILS

Based on Restated Financial Statements

(₹ in Lakhs)

Sr. No.	Particulars	For the Period / Year ended			
		December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	442.33	442.33	442.33	442.33
2.	Net worth	6,219.75	5,417.77	4,816.22	4,050.48
3.	Revenue from operations	35,739.99	19,932.60	40,238.93	13,744.67
4.	Profit After Tax	<b>801.98</b>	<b>601.56</b>	<b>765.74</b>	<b>228.28</b>
5.	Earnings Per Share – Basic (Post Bonus)	4.18	3.14	4.00	1.19
6.	Earnings Per Share –Diluted (Post Bonus)	4.12	3.09	3.93	1.17
7.	NAV per Equity Shares (Post Bonus)	31.96	28.30	25.15	21.16
8.	Total Borrowings (As per Balance Sheet) (Including Current Maturity of Long-Term Debt)	8,895.61	11,377.82	13,902.29	13,354.66

## AUDITORS' QUALIFICATIONS

There is no Auditor qualification which have not been given effect to in the Restated Financial Statements.

## OUTSTANDING LITIGATIONS

There are no pending Litigation against our Company nor against our Promoters or Directors of the company except mentioned below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in lakhs)
<b>Company</b>						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company						
IT e-proceedings	Nil	3	Nil	Nil	Nil	Unascertainable
GST		4				0.52
<b>Directors other than Promoters</b>						
By our directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters						
IT	Nil	4	Nil	Nil	Nil	2.57
IT e-proceedings		6				Unascertainable
<b>Subsidiaries</b>						
By Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group Companies</b>						
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies						
1. Shivtex Spinning Private Limited						
IT	Nil	1	Nil	Nil	Nil	39.81
e-proceedings	Nil	2	Nil	Nil	Nil	Unascertainable
TDS	Nil	Across all FYs	Nil	Nil	Nil	0.88
GST	Nil	2	Nil	Nil	Nil	40.57
2. Siddhi Weaves Private Limited						
IT	Nil	1	Nil	Nil	Nil	288.50
e-proceedings	Nil	3	Nil	Nil	Nil	Unascertainable
TDS	Nil	Across all FYs	Nil	Nil	Nil	0.04
GST	Nil	2	Nil	Nil	Nil	0.08
3. Bhavana Textiles Private Limited						
e-proceedings	Nil	4	Nil	Nil	Nil	Unascertainable
TDS	Nil	Across all FYs	Nil	Nil	Nil	11.39
GST (Notices)	Nil	2	Nil	Nil	Nil	Unascertainable

For further details kindly refer to chapter titled “Outstanding Litigations and Material Developments” beginning on page 181 of this Draft Red Herring Prospectus

## RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer

Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. Specific attention of the investors is invited to the chapter titled “Risk Factors” beginning on page 24 of this Draft Red Herring Prospectus.

#### CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There are no contingent liabilities and capital commitments of our company as on date of filing Draft Red Herring Prospects of the company except as disclosed below:

(₹ in Lakhs)

Particulars	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Bank Guarantee Given to Government Under EPCG Scheme	184.17	184.17	184.17	191.35
Bank Guarantee Given to UGVCL	180.51	180.51	180.51	180.51
Custom Duty Against Export Obligation	40.78	40.78	245.71	741.37

#### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group or our Directors and their relatives (as defined in the Companies Act, 2013) have financed the purchase by any other person of securities of our Company (other than in the normal course of business of the financing entity) during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

#### COST OF ACQUISITION & WEIGHTED AVERAGE COST

Weighted average price at which the Equity Shares were acquired by our Promoters in Last One Year:

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹) *
1.	Mr. Navin Saraogi	67,63,572	Nil
2.	Mr. Aansh Rajesh Bindal	79,02,167	Nil

#### AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTERS AND SELLING SHAREHOLDER

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)*
1.	Mr. Naveen Saraogi	87,52,858	14.66
2.	Mr. Aansh Rajesh Bindal	79,02,167	NIL
3.	Ms. Vineeta Vishal Chiripal	869,198	31.82

\*The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.

#### PRE-IPO PLACEMENT

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

#### ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH

Except as disclosed below, we have not issued any Equity shares for consideration other than Cash.

- The details of allotment of 1,50,39,197 Bonus Equity Shares made on January 16, 2024 in ratio of 340:100 i.e., 340 (Three Hundred Forty) fully paid-up Equity Shares for every 100 (One Hundred) Equity Shares held on January 15, 2024, are as follows:

Sr. No.	Name of Allottees	No. of Equity Shares	Face Value (in ₹)	Offer Price (in ₹)
1.	Navin Saraogi	67,63,572	10.00	NIL
2.	Aansh Rajesh Bindal	51,27,240		

3.	Dashrath Babulal Patel	340		
4.	Saileshbhai Babulal Patel	340		
5.	Vineeta Vishal Chiripal	6,71,653		
6.	Yogesh Raval	340		
7.	Pushpa P. Bindal	23,52,194		
8.	Sarthak Bindal	59,211		
9.	Sanjana Sanjay Bindal	59,207		
10.	Sudhir Jain	5,100		
<b>TOTAL</b>		<b>1,50,39,197</b>		

For further information, please refer to Chapter titled “*Capital Structure*” on page 57 of this Draft Red Herring Prospectus.

#### **SPLIT / CONSOLIDATION**

There has been no Split or Consolidation was happened during the last one year.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS**

No exemptions from complying with any provision of securities laws has been granted by SEBI as on date of this Draft Red Herring Prospectus.

#### **RELATED PARTY TRANSACTIONS**

(₹ In Lakhs)

Sr No	Particular	Nature of Transaction	April 2023 -December 2023	2022-23	2021-22	2020-21
1	Aansh Bindal	Rent	0.20	-	-	-
2	Rajesh Bindal	Rent	-	1.20	0.50	1.20
3	Jagdish Shamjibhai Kanzariya	Salary	1.48	-	-	-
4	Bhavana Textiles Pvt Ltd	Sales	-	-	58.59	24.30
5	K S Solutions	Purchase	-	-	68.25	1.00
6	Navin Saraogi	Director's Remuneration	2.25	3.00	3.00	0.75
		Loan Taken	180.00	-	-	-
		Loan Repaid	110.00	448.72	-	-
7	Pushpa Bindal	Loan Taken	-	630.00	541.90	-
		Loan Repaid	350.00	375.00	238.08	130.00
		Rent	2.70	3.60	3.60	3.60
8	Sanjay Bindal	Director's Remuneration	11.25	15.00	15.00	15.00
		Loan Taken	-	350.00	-	-
		Loan Repaid	360.00	280.00	-	25.00
9	Shivtex Spinning Private Limited	Purchase	-	1.46	-	-
		Sales	6,479.23	34.52	201.21	51.47
10	Siddhi Weaves Private Limited	Sales	-	1.85	2.83	-
		Sales Return	-	2.83	-	-
11	United Tex Chem Solution Private Limited	Purchase	-	-	0.10	-
12	Bindal Worldwide Private Limited	Loan Repaid	-	107.90	200.00	25.00
13	Dholi Specilaity Private Limited	Loan Given	14.90	-	-	-

Statement showing Closing Balance of Related Parties:

<b>Sr No</b>	<b>Particular</b>	<b>Nature of Balances</b>	<b>As at 31st December, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
1	Bhavana Textiles Pvt Ltd	Debtors	-	-	16.45	10.92
2	Navin Saraogi	Loan	(308.47)	(238.47)	(687.19)	(687.19)
3	Pushpa Bindal	Creditors	(0.27)	-	-	(0.28)
4	Pushpa Bindal	Loan	(319.69)	(669.69)	(414.69)	(110.87)
5	Rajesh Bindal	Creditors	-	-	-	(0.10)
6	Aansh Bindal	Creditors	(0.20)	-	-	-
7	Sanjay Bindal	Loan	(740.71)	(1,100.71)	(1,030.71)	(1,030.71)
8	Shivtex Spinning Private Limited	Debtors	(0.05)	-	-	-
9	Siddhi Weaves Private Limited	Debtors	-	0.11	2.97	-

### SECTION III - RISK FACTOR

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, particularly the “Restated Financial Information of the Company” and the related notes, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 163, 109 and 165 respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors whose potential effects 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 Offer, including the merits and the risks involved. You should not invest in this Offer unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

#### **Materiality**

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

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

#### **Note:**

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Red Herring 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 24 and “Management Discussion and Analysis of Financial Condition and Results of Operations” on page 165 of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Restated Financial Statements”.

#### **INTERNAL RISK FACTORS**

1. **There are outstanding legal proceedings involving our Company, Promoters, Directors, and Group Companies. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

A summary of outstanding matters set out below includes details of civil proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving us, Directors, Promoter and Group Company, as at the date of this Draft Red Herring Prospectus.

#### **Cases against our Company:**

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
-----------------	-------------------------	----------------------------

Criminal Complaints	Nil	Nil
Statutory/ Regulatory Authorities	Nil	Nil
Taxation Matters		
Income Tax e-proceedings	3	Amount Unascertainable
TDS	Across all FYs	Nil
GST	4	0.52
Other Litigation	Nil	Nil

**Cases against our Directors and Promoter:**

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	Nil	Nil
Statutory/ Regulatory Authorities	Nil	Nil
Other Litigation – Taxation		
Mr. Navin Saraogi	Income Tax	4
	e-proceedings	6
		2.57
		Amount Unascertainable
Other Litigation	Nil	Nil

**Cases against our Group Companies:**

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	Nil	Nil
Statutory/ Regulatory Authorities	Nil	Nil
Other Litigation – Taxation		
1. Shivtex Spinning Private Limited		
	IT	1
	e-proceedings <sup>3</sup>	2
		39.81
	TDS	Across all FYs
	GST	2
		0.88
		40.57
1. Siddhi Weaves Private Limited		
	IT	1
	e-proceedings <sup>4</sup>	3
		288.50
	TDS	Across all FYs
	GST	2
		0.04
		0.08
1. Bhavana Textiles Private Limited		
	e-proceedings <sup>5</sup>	4
	TDS	Across all FYs
	GST (Notices)	2
		Amount Unascertainable
		11.39
Other Litigation	Nil	Nil

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We believe that our future growth and competitiveness would depend on our ability to establish and strengthen our brand. We cannot guarantee that we will be able to make a lasting brand image with our clients and other people in the absence of these Trade Marks. Although we believe that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to

detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 181 of this Draft Red Herring Prospectus.

**2. We do not own our registered office**

Our registered office premises situated at Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat- 382240 is taken on lease basis, for details related to premises taken on lease basis please refer the “Detail of immovable property” in the section “Business Overview” appearing on page no. 109 of this Draft Red Herring Prospectus.

Termination of our lease may occur for any reasons beyond our control and we may have to relocate to alternative premises or shut down our operations at such existing premises. Relocation of any part of our operations may cause disruptions to our business and may require additional expenditure, and we cannot assure you that in such a case, we will be able to find suitable premises on commercially reasonable terms in a timely manner, if at all or we may have to pay significantly higher rent or incur additional expenses towards interiors. Occurrence of any of these factors may materially and adversely affect our business, results of operations and financial condition. Further any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, or any inability to renew such agreements on acceptable terms may adversely affect our business operations

**3. Substantial portion of our revenues has been dependent upon few customers, with which we do not have any firm commitments. The loss of any one or more of our major customers would have a material adverse effect on our business, cash flows, results of operations and financial condition.**

The substantial portion of our revenues has been dependent upon few customers. For instance, our top ten customers for the stub period from April 01, 2023 to December 31, 2023 and Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 accounted for 88.19%, 82.68%, 78.77% and 61.99% of our revenue from operations for the respective year. Our reliance on a limited number of customers for our business exposes us to risks, that may include, but are not limited to, reductions, delays or cancellation of orders from our significant customers, a failure to negotiate favourable terms with our key customers or the loss of these customers, all of which would have a material adverse effect on the business, financial condition, results of operations, cash flows and future prospects of our Company.

The contribution of our top ten customers in our sales as a percentage of the revenue from operations during the stub period from April 01, 2023 to December 31, 2023 and financial year ended March, 2023, 2022 and 2021 are disclosed hereunder:

Particulars	% contribution to revenue from operations			
	For the Period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Top 1 Customer	27.96%	18.80%	34.85%	25.95%
Top 3 Customers	62.82%	42.73%	56.69%	42.80%
Top 5 Customers	75.79%	57.82%	68.01%	50.26%
Top 10 Customers	88.19%	82.68%	78.77%	61.99%

Further, there is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. In order to retain some of our existing customers, we may also be required to offer terms to such customers which may place restraints on our resources. Additionally, our revenues may be adversely affected if there is an adverse change in any of our customers’ supply chain strategies or a reduction in their outsourcing of product we offer, or if our customers decide to choose our competitors’ product over ours or if there is a significant reduction in the volume of our business with such customers.

We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Further, the sales volume may vary due to our customers’ attempts to manage their inventory, market demand, product and supply pricing trends, change in customer preferences etc., which may result in decrease in demand or lack of commercial success of our product, which could reduce our sales and adversely affect our business, cash flows, results of operations and financial condition.

**4. Our business is vulnerable to variations in demand for cotton yarn and changes in consumer preferences, which could**

***have an adverse effect on our business, results of operations and financial condition.***

Our Company is primarily engaged in manufacturing & selling cotton yarn and Conditioning of yarn. Our revenue of cotton yarn is dependent on a number of factors, and the sale may be decline as a result of increased competition, regulatory actions, pricing pressures or fluctuations in the demand for or supply of our product and other factors outside our control. In particular, our business is vulnerable to rapidly-changing customer preferences. Our results of operations are dependent on our ability to attract customers by anticipating, gauging and responding to such changes in customer preferences, and manufacture of cotton yarn in line with changes in fashion trends as well as customer demands and preferences. A decline in demand for our product or a mis-judgment on our part could lead to increased market acceptance of our competitors' product or may result in the substitution of our product in the market, which could lead to us having lower sales and excess inventories. This may cause a decline in our revenues and profits, which would adversely affect our business, results of operations, financial condition and cash flows.

**5. *Our Company has not entered into any fixed or long term contracts with its customers and we will operate on the basis of orders received on hand. Inability to maintain regular order flow would adversely impact our revenues and profitability.***

We have not entered into any fixed or long term contracts with our customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our materials. Our Company's customers have no obligation to place orders with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, quality consistency, fluctuation in demand for our Company's products and customer's inventory management.

Although we place a strong emphasis on quality, pricing and timely delivery of our products and after sales service such as feedback on the trends in their market, personal interaction by the top management with the customers, etc., in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

**6. *We do not maintain long-term contracts with our third-party suppliers, and our business may be adversely affected by a shortfall in supply, or increase in price of materials.***

Substantially all our materials are purchased from third parties. We do not have any long-term supply contracts with any of our specific suppliers with respect to our material requirements and typically place orders with them in advance of our anticipated requirements. The availability of these materials is subject to many risks, including insect or animal infestation, adverse weather conditions, adverse ground conditions and natural and other disasters. Certain materials are available only at specific times during a year due to the seasonality of growing periods and harvest times in India. Furthermore, materials are subject to price volatility caused by factors, including commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand and changes in governmental agricultural programs. Material price increases result in corresponding increases in our selling costs. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure materials from alternate suppliers in a timely fashion, or on terms acceptable to us, may adversely affect our operations.

We rely on the adequate and timely availability of materials. Any supply chain disruptions may impact our material sourcing, which in turn may impact our ability to fulfill the demand of the customers. Any significant change in the cost structure or disruption in supply may affect the pricing and supply of products. If we are not able to increase our product prices to offset increased material costs, or if unit volume sales are significantly reduced, it could have an adverse impact on our profitability. This may adversely affect our business and financial performance.

**7. *Our Restated Financial Statements are prepared and signed by the Peer Review Auditor who is not Statutory Auditors of our Company as required under the provisions of SEBI ICDR Regulations 2018.***

The Restated Financial Statements of our Company for the Period ended December 31, 2023 and for the financial year ended March 31 2023, 2022 and 2021 respectively are prepared and signed by M/s JPMK and Co., Chartered Accountants, the Peer Review Auditor of our Company who is not statutory auditor of our Company. Our Statutory Auditor M/s. Vijay Moondra & Co., Chartered Accountants is also a Peer Review Auditor.

**8. *We face competition, including from other large and established competitors, and we may fail to compete successfully against existing or new competitors, which may reduce the demand for our Product which may lead to reduced prices, operating margins, profits and further result in decline in revenue.***

We face increasing competition from our existing and potential competitors in India and in overseas markets that may have substantially greater brand recognition, longer operating histories, greater financial strength, product development, sales, marketing, more experienced management, access to a cheaper cost of capital and other resources than we do. Our competitors may have lower costs, or be able to offer lower prices and a larger variety of products in order to gain market share. Our competitors may also make acquisitions or establish cooperative or other strategic relationships, among themselves or with third parties, including dealers of our product, thereby increasing their ability to address the needs of our targeted customers and offering lower cost products than we do which may have a negative effect on our sales.

To remain competitive, we must continue to invest significant resources in capital expenditure, research and development, sales and marketing and customer support. There can be no assurance that we shall have sufficient resources to make these investments or that we shall be able to make the technological advances necessary to be competitive.

**9. *Our business is operating under various laws which require us to obtain approvals from the concerned statutory/regulatory authorities in the ordinary course of business and our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.***

Our business requires us to obtain and renew from time to time certain approvals, licenses, registrations and permits, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. In particular, our Company is yet to apply for Intimation under Gujarat Shops and Commercial Establishment Act, 1948 for an Administrative office at Narol, Gujarat and Profession Tax Registration in the State of Gujarat. Further, these approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by various authorities for operating our business activities may contain conditions, some of which could be onerous. There can be no assurance that the relevant authorities will issue these approvals or licenses in a timely manner, or at all. In the event of any unanticipated delay in receipt of such approvals, it will have an adverse impact on our business operations.

Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. For further details, see "Government and Other Statutory Approvals" on page 184 of this Draft Red Herring Prospectus. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be adversely affected. We may be involved in any environmental legal proceedings in the course of our business due to non-compliances with terms and conditions of regulatory approvals or authorizations.

**10. *Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.***

Our business requires a significant amount of working capital and a major portion of our working capital is utilized towards inventories and trade receivables. Our growing scale and expansion, if any, may result in an increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have a high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials. For further details regarding working capital requirement, please refer to the section "*Objects of the offer*" on page 71 of this Draft Red Herring Prospectus.

**11. *There is an Interim Order/Show Cause Notice passed by the Securities and Exchange Board of India (SEBI) involving Mr. Vedprakash Devkinandan Chiripal and Ms. Savitridevi Chiripal part of our Promoter Group, alongwith other entities viz. Mauria Udyog Limited, 7NR Retail Limited, Darjeeling Ropeway Company Limited, GBL Industries Limited, and Vishal Fabrics Limited which may impact our Promoter's reputation and in turn affecting our business operations and the value of our shares***

SEBI's investigation into these companies was triggered by an abnormal rise in their stock prices and trading volumes, coupled with similar trading patterns among certain entities. The investigation indicated that entities known as "PV Influencers" and "Off loaders" might have engaged in fraudulent trade practices using bulk SMS and website recommendations. This allegedly manipulated the prices and volumes of the shares before and after the SMS phase, allowing some entities to profit and subsequently exit the market. Further investigation revealed close connections among 15 involved entities, sharing common

contact information and coordinating trading activities. The Chiripal Group, part of Vishal Fabrics Limited's promoter/promoter group, and Mr. Vedprakash Devkinandan Chiripal, Promoter Group shareholder of Vishal Fabrics Limited, were reportedly implicated in the scheme, suggesting potentially fraudulent activities in Vishal Fabrics Limited shares.

SEBI has issued an interim order-cum-show cause notice numbering WTM/SM/ IVD/ID9/27532/2023-24 dated June 19, 2023 (“SEBI Interim Order”) based on factual findings, proposing restrictions on the entities' market activities and imposing monetary penalties. The SEBI investigation is ongoing and possible directions like debarment from accessing capital market against the said promoter group may affect the eligibility of our Company for accessing the capital markets.

**12. Our Company’s logo  is not registered as of the date of this Draft Red Herring Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights which could have a material adverse effect on our business, results of operations and financial condition.**

As on date of Draft Red Herring Prospectus, we have made an application for registration of our logo under the Trade Marks Act, 1999, however the same is pending for registration, hence, we do not enjoy the statutory protections accorded to a registered logo. We cannot assure you that the registration of our logo will be granted by the relevant authorities in a timely manner or at all. Also, our application for registration of Word Mark “SIDDHI COTSPIN” has been objected to by the Trade Mark Registry. Though the Company has filed its Reply to the said examination Report on January 03, 2024, we cannot assure that our reply will be acceptable to the Registry. Further, there can be no assurance that third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. We may not be able to detect any unauthorized use or our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed.

For further details on our trademark, please refer to the chapter titled “Business Overview” beginning on page 109 of this Draft Red Herring Prospectus.

**13. 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. 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 revenue of our company. Further, we operate in 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 to the chapter titled “Business Overview” beginning on Page 109 of this Draft Red Herring Prospectus.

**14. Any failure in our quality control processes may have an adverse effect on our business, results of operations and financial condition.**

Our product may contain quality issues or undetected errors or defects. We experience sales returns and quality compensation in our normal course of business. We have implemented quality checks & tests and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured by us on the basis of our internal quality standards. However, we cannot assure you that our quality control processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our product due to failure of our quality assurance procedures, negligence, human error or otherwise, may damage our product and result in deficient product. We also face the risk of legal proceedings and product liability claims being brought against us by our

customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in defending such claims.

**15. *Our continued operations at our manufacturing facility is critical to our business and any disruption, breakdown or failure of machinery, disruption to power sources or any temporary shutdown of our manufacturing facility, may have a material adverse effect on our business, results of operations, financial condition and cash flows.***

Our manufacturing facility is subject to operating risks, such as breakdown or failure of machinery, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our customers rely significantly on the timely delivery of our product and our ability to provide an uninterrupted and timely supply of our product is critical to our business. We also require substantial electricity for our manufacturing facilities which is sourced from the state electricity board. In case, the supply is not available for any reason, our production schedule may be hampered. Further, our customer relationship, business and financial results may be materially adversely affected by any disruption of manufacturing operations of our product, including as a result of any of the factors mentioned above.

**16. *In our restated financials as at December 31, 2023, we have a contingent liability related to export commitments. Failure to meet these commitments under the Export Promotion Capital Goods (EPCG) scheme may result in the imposition of penalties.***

Under various licenses, we have imported specific capital goods at concessional duty as part of the EPCG scheme, entitling us to duty concession amounting to ₹ 40.78 Lakhs on the purchase of plant and machinery. Consequently, we are obligated to export products worth ₹ 244.71 Lakhs within a six-year period (comprising two block years: 1st to 4th year (1st Block) - 50%, and 5th to 6th year (2nd Block) - 50%) from the respective licenses/authorizations.

We cannot guarantee our ability to sustain future exports and fulfil the complete export obligation within the stipulated period. Failure to meet the aforementioned commitment may result in retrospective levy of import duty on items previously imported at concessional duty. Furthermore, the relevant authorities have the discretion to impose penalties and/or interest for any defaults on a case-by-case basis. Non-compliance with statutory obligations may lead to penalties, potentially causing a material adverse effect on our business, financial condition, and results of operations.

**17. *Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

Our operations involve extending credit for extended periods of time to our customers in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with our customers. Our credit terms vary from 0 days to 45 days for our customers. Our inability to collect receivables from our customers in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. If we are unable to collect receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations. Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause dealers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customers may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

**18. *Any failure on our part to effectively manage our inventory may result in an adverse effect on our business, revenue from manufacturing operations and financial condition.***

We are a manufacturing company, and, at all points of time, a certain portion of our assets comprises an inventory of raw materials, work in progress and finished goods. Maintaining sufficient inventory of raw materials is critical for our operations including as a buffer against any supply disruptions. Any failure on our part to effectively manage our inventory of raw materials and finished products in response to changing market scenarios may have an adverse effect on our financial condition and may even lead to loss of business and increase the costs of our operations.

In the event we overestimate our requirements for raw materials as compared to the demand for our product, it may lead to situations that require us to block more capital and increase our operating costs in connection with inventories and further expose us to variations in raw materials risk. Equally, if we underestimate our requirements for raw materials, it may adversely affect our ability to manufacture the required quantity of product for our customers' requirements in a timely and cost-efficient manner which may lead to loss of business and / or the opportunity to service customers which could adversely affect our

business, results of operations and financial condition. Further, we may also lose opportunities to acquire raw materials in a cost-effective manner, thereby increasing costs of operations and adversely affecting our working capital requirements.

Additionally, if our inventory of finished product is not dispatched on time or if there is any unanticipated delay in the delivery of our finished product or if the finished product is not properly maintained or is damaged or destroyed, we could lose such inventory which could have an adverse impact on our production cycle, results of operation and financial condition.

**19. Under-utilization of our manufacturing capacities and an inability to effectively utilize our existing manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.**

As on date of this Draft Red Herring Prospectus, our Company has 29376 spindles installed at Dholi unit which has an annual installed capacity of spinning 90,11,850 kilos of yarn. In Fiscals 2023, 2022 and 2021 and the stub period from April 01, 2023 to December 31, 2023, our overall capacity utilization is detailed below:

**Capacity of spinning of cotton into yarn:**

Particulars	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Licensed capacity (Spindles No.)	30000 mt/month	30000 mt/month	30000 mt/month	30000 mt/month
Cotton Yarn - Installed capacity (in kgs per year)	90,11,850	90,11,850	90,11,850	90,11,850
Estimated production at 100% capacity utilization (in kg)	67,89,750	90,11,850	90,11,850	90,11,850
Value Added Yarn Capacity (in kg)	1,35,79,500	90,11,850	90,11,850	-
Installed capacity (No. of spindles)	29376 spindles	29376 spindles	29376 spindles	29376 spindles
Production of Cotton Yarn (in kg)	63,18,541	70,99,541	82,84,153	64,61,079
Production (Including Value Added Yarn) (in kg)	93,57,665	-	57,98,782	-
Capacity Utilization (%) of Cotton Yarn	93.06%	78.78%	91.93%	71.70%
Capacity Utilization (%) of Value Added Yarn	68.91	0.00%	64.35%	0.00%

(As certified by M/s. S. K. Patel, Chartered Engineer No. F/014852/7 through certificate dated February 24, 2024.)

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility as well as on the market demand of the product sold by us. Among others, the capacity utilization also depends upon the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. In the event we are unable to achieve considerable capacity utilization of our current manufacturing facility, it would result in operational inefficiencies which could have a material adverse effect on our business, results, financial condition and future prospects. Under- utilization of our manufacturing capabilities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

**20. We have issued Equity Shares during the preceding one year at a price that is below the Offer Price**

We have, in the preceding one year prior to the date of this Draft Red Herring Prospectus, issued Equity Shares that is lower than the Issue Price. The details of allotments made on during the preceding one year are as follows:

Sr No	Date of allotment	Nature of allotment	No. of Equity Shares allotted	Face value (₹)	Issue price (₹)	Nature of consideration
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1.	November 08, 2023	Conversion of Preference Shares into Equity Shares	3,16,151	10	Nil	Other than Cash
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For further details, please refer chapter titled “Capital Structure” beginning on page 57. The price at which such Equity Shares were issued is not indicative of the Offer Price, or the price at which the Equity Shares will be traded going forward. Further, we may, in the future, continue to issue Equity Shares at prices that may be lower than the Offer Price, subject to compliance with applicable law. Any issuances of Equity Shares by us may dilute your shareholding in our Company, thereby adversely affecting the trading price of the Equity Shares and our ability to raise capital through any issuance of new securities.

**21. In addition to regular remuneration, other benefits and expense reimbursement our Promoters, Directors, key managerial personnel or senior management hold a vested interest in our Company; to the extent of their shareholding and associated dividend entitlements. They also have a stake in transactions involving our company, whether with themselves individually or with our group companies/entities. Our Company in future may enter in related party transactions subject to necessary compliances.**

Our Promoters, Directors, key managerial personnel or senior management are interested in our Company to the extent of their shareholding and associated dividend entitlements thereon in our Company, in addition to regular remuneration or benefits and expenses reimbursement. Our Promoters, Directors, key managerial personnel or senior management are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Company/Entity. All transactions with related parties entered into by the company in past were at arm’s length basis, in compliance with applicable provisions of Companies Act, 2013 and other applicable provisions.

Additionally, our Company may enter in related party transactions in future subject to necessary compliances in accordance with relevant acts, rules and regulations. For details of transactions already executed by our Company with our Promoters, Directors and Group Companies/Entities during last three years and stub period, please refer to the “Annexure 35 – Related Party Transaction” under the Chapter titled “Restated Financial Information” beginning on Page No. 163 of this Draft Red Herring Prospectus.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**22. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.**

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, Marine Cargo Annual Turnover Risk, Burglary Insurance, Standard Fire & Special Perils, Terrorism Damage, Earthquake, Flexi Laghu Udyam Suraksha. While we believe that we maintain insurance coverage in adequate amounts consistent with the size of our business, our insurance policies do not cover all risks, specifically risks such as cash in transit, machinery breakdown, keyman insurance, workmen compensation, group personal accident or mediclaim policy. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if an insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

**23. Changes in technology may render our current technologies obsolete or require us to make substantial investments.**

To remain competitive and efficient, modernization and technology upgradation are crucial for reducing costs and increasing output. Our business heavily relies on technology and machinery to deliver quality services. However, there is a risk of our technology and machinery becoming obsolete over time or not being upgraded timely, which can adversely impact our operations and financial condition, leading to a loss of competitive edge in the market. While we believe that we have implemented updated technology, we understand the importance of continuous improvement. We are committed to staying abreast of the latest technological standards and trends to enhance our capabilities. In the event of a new technology emerging in our industry, we may be required to invest in adopting that technology or upgrading our existing machinery and equipment

to remain competitive.

The costs associated with upgrading technology and modernizing machinery are significant, and they can have a substantial impact on our finances and operations. These investments may lead to higher capital expenditures and can temporarily affect our profitability and cash flow. We must carefully assess the potential benefits and returns on such investments to ensure they align with our long-term growth objectives.

Our ability to successfully implement technology upgrades and modernization efforts depends on various factors, including availability of skilled technicians, compatibility of new technology with existing systems, and adequate financial resources. Delays or challenges in adopting new technology can hinder our operational efficiency and competitiveness in the market

***24. We are heavily dependent on our Promoters, Key Managerial Personnel and Senior Management Personnel for the continued success of our business through their continuing services and strategic guidance and support.***

Our performance depends largely on the efforts and abilities of our promoters, senior management and other key personnel. They have gained experience in this line of business and have over the years built relations with our customers and other persons who are connected with us and have been actively involved in the day to day operations and management, further we believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for project development and procurement activities, and our overall business operations and the strategic directions taken by our Company. For details in relation to the experience of our key management personnel, see “*Our Management*” on page 145 of this Draft Red Herring Prospectus. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an effect on our business, results of operations, financial condition and cash flows.

***25. Our success depends on our ability to attract and retain our key management personnel. If we are unable to do so, it would adversely affect our business and results of operations.***

Our future success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for management, running of our daily operations, and the planning and execution of our business strategy. There is intense competition for experienced senior management and other key personnel with technical and industry expertise in our business and if we lose the services of any of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired.

Additionally, we may not have in place the necessary systems and processes to develop key personnel internally. Our Company does not maintain any director’s and officer’s insurance policy or any keyman insurance policy. The loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations. Our performance also depends on our ability to attract and train highly skilled personnel. If we are unable to do so, it would materially and adversely affect our business, prospects and results of operations.

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

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on December 31, 2023, our total outstanding indebtedness was ₹ 8895.61 Lakhs.

Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Business Overview - Statement of Financial Indebtedness*” on page 109 of this Draft Red Herring Prospectus.

**27. Our business operations are majorly concentrated in a particular geographical region and any adverse developments affecting our operations in this region could have a significant impact on our revenue and results of operations.**

We carry our entire manufacturing operations from our unit located in Dholka, Ahmedabad, Gujarat. Due to the geographical concentration of our manufacturing operations primarily in Dholka, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our product and raw materials, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations.

In addition, we generate 99.39% of our Domestic revenue for the period ended on December 31, 2023 from state of Gujarat. Further, most of the suppliers are also located in Gujarat. Such geographical concentration of our business in the Gujarat region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations.

Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**28. Adverse publicity regarding our product could negatively impact us.**

Adverse publicity regarding any of our products or similar products marketed or sold by others could negatively affect us. If any studies raise or substantiate concerns regarding the efficacy or safety of our product or other concerns, our reputation could be harmed and demand for our product could diminish, which could have a material adverse effect on growth in new customers and sales of our product, leading to a decline in revenues, cash collections, and ultimately our ability to meet operating cash flow requirements.

**29. We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.**

Our Company has entered into various transactions with our Promoter Group which are as follows:

Sr No	Particular	Nature Of Transaction	April 2023 - December 2023	2022-23	2021-22	2020-21
1	Aansh Bindal	Rent	0.20	-	-	-
2	Rajesh Bindal	Rent	-	1.20	0.50	1.20
3	Jagdish Shamjibhai Kanzariya	Salary	1.48	-	-	-
4	Bhavana Textiles Pvt Ltd	Sales	-	-	58.59	24.30
5	K S Solutions	Purchase	-	-	68.25	1.00
6	Navin Saraogi	Director's Remuneration	2.25	3.00	3.00	0.75
		Loan Taken	180.00	-	-	-
		Loan Repaid	110.00	448.72	-	-
7	Pushpa Bindal	Loan Taken	-	630.00	541.90	-
		Loan Repaid	350.00	375.00	238.08	130.00
		Rent	2.70	3.60	3.60	3.60

8	Sanjay Bindal	Director's Remuneration	11.25	15.00	15.00	15.00
		Loan Taken	-	350.00	-	-
		Loan Repaid	360.00	280.00	-	25.00
9	Shivtex Spinning Private Limited	Purchase	-	1.46	-	-
		Sales	6,479.23	34.52	201.21	51.47
10	Siddhi Weaves Private Limited	Sales	-	1.85	2.83	-
		Sales Return	-	2.83	-	-
11	United Tex Chem Solution Private Limited	Purchase	-	-	0.10	-
12	Bindal Worldwide Private Limited	Loan Repaid	-	107.90	200.00	25.00
13	Dholi Specilaity Private Limited	Loan Given	14.90	-	-	-

These transactions, inter-alia includes, sales, Sales Return, purchase of Raw Material and Product Good, Loan Taken and Repayment, Rent, Salary and Remuneration. For details, please refer to **Annexure- 35 - Related Party Transactions**” under Section titled *“Restated Financial Information of the Company”*, *“Our Promoters and Promoter Group”* and *“Capital Structure”* beginning on page 163, 158 and 57 respectively of this Draft Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**30. Dependence upon third party transportation services for supply and transportation of our product are subject to various uncertainties and risks, and delays in delivery may result in rejection of product by customer.**

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of product from our suppliers and for transportation of product to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third-party transport service providers and engage them when needed from time to time. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented.

Any delay or disruption caused to the transportation of materials could adversely impact our ability to procure the materials as well as to meet the delivery schedule of the customers in an economical manner. To ensure timely delivery of our products, we may also be required to maintain a relatively high level of inventory of our products and this may also resultantly increase our cost. In addition, any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

**31. The average cost of acquisition of Equity Shares by our Promoters could be lower than the Offer price.**

Our Promoters average cost of acquisition of Equity Shares in our Company is 14.66 for Mr. Navin Saraogi and NIL for Mr. Aansh Rajesh Bindal respectively which is lower than the Offer Price as may be decided by the Company and the Selling Shareholders in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters *“Risk Factors - Prominent Notes”* and *“Capital Structure”* beginning on pages 24 and 57 respectively of this Draft Red Herring Prospectus.

**32. We have not received NOC from one of our lenders for undertaking the initial public offer of equity shares.**

As on the date of this Draft Red Herring Prospectus, we have not received the NOC for the Proposed Offer from one of our lenders, namely State Bank of India. However, our Company intends to obtain the necessary NOC in relation to the proposed Offer from such lender prior to the filing of the Prospectus with the RoC, undertaking the proposed Offer without obtaining such lenders NOC may constitute a default under such loan agreement, which could impact our loan facilities and may have an effect on our financial condition and results of operations.

**33. Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.**

Our business activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our product to customers which may adversely affect our business and result of operations. Though we have not faced any labour problem in the past we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our workforce, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse effects on our business, and results of operations.

**34. Our contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.**

Our Contingent liability as on December 31, 2023 was Rs 405.46 Lakhs If this contingent liability materializes, fully or partly, the financial condition of our Company could be affected. The details of Contingent Liability as on December 31, 2023 is as follows:

Sr. No.	Particulars	Amount (Rs.in lakhs)
1.	Bank Guarantee Given to Government Under EPCG Scheme	184.17
2.	Bank Guarantee Given to UGVCL	180.51
3.	Custom Duty Agaist Export Obligation	40.78

For more information, regarding our contingent liabilities, please refer “Annexure-31” in chapter titled “Restated Financial Information of the Company” beginning on page 163 of this Draft Red Herring Prospectus.

**35. The Promoter- Directors hold 85.57% of the Equity Shares of our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.**

Our Promoter- Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, properties given by them on lease/rental basis or loans advanced by them to the Company, and benefits deriving from the directorship in our Company. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. For further information, please refer to the chapters/section titled “Business Overview”, “Our Promoters and Promoter Group” and “Annexures - 35 - Related Party Transactions for under the chapter title “Restated Financial Information”, beginning on pages 109, 158 and 163 respectively of this Draft Red Herring Prospectus.

**36. Our Promoter, Director and Promoter Group members/entities have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters/ Directors and thereby, impact our business and operations.**

Our Promoters, Directors and Promoter Group entities/members, namely along with certain other parties have extended personal guarantees towards loan facilities taken by our Company. Any default or failure by us to repay the loans in a timely manner, or at all could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters/Directors of our Company, thereby having an effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer to “Business Overview - Statement of Financial Indebtedness” on page 109 of this Draft Red Herring Prospectus.

**37. Our Company has unsecured loans which are repayable on demand. Any demand from lenders for repayment of such**

***unsecured loans may adversely affect our cash flows.***

Our Company has availed unsecured loans from our Managing Director, Mr. Navin Saraogi, former director Mr. Sanjay Premchand Bindal and his mother Mrs. Pushpa Bindal which may be recalled by lenders at any time with or without the existence of an event of default, on short or no notice. As of December 31, 2023, such loans amounted to ₹ 1368.87 lakhs. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled “*Business Overview - Statement of Financial Indebtedness*” on page 109 of this Draft Red Herring Prospectus.

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

Our company could export its products in international market. We may expose to foreign currency fluctuation risk. Although, we closely follow our exposure to foreign currencies. We do not hedge our exposure to foreign currency as a result, our operations, cash flows and financial performance could be adversely affected in case these currencies fluctuate significantly. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations and cash flows. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue.

***39. Our Promoter Group Entities are engaged in a similar line of business. Any conflict of interest in future may occur between the business of our promoter group entities and us which may adversely affect our business, prospects, results of operations and financial condition.***

As on date of this Draft Red Herring Prospectus, one of our Promoter Group entities, namely Shivtex Spinning Private Limited is engaged in a similar line of business. We have not entered into any non-compete agreement with it. We will endeavour to take adequate steps to address any conflict of interest by adopting the necessary procedures and practices as permitted by applicable law, to address any conflict which may arise in the future. We cannot assure you that our Promoters will not favour the interests of our promoter group entity over our interests in future or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

***40. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Offer proceeds may delay the implementation schedule.***

The proposed fund requirement for our Working Capital requirements and Repayment of Loan, as detailed in the section titled “Objects of the offer” is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Offer proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the offer*” beginning on page 71 of this Draft Red Herring Prospectus.

***41. The Objects of the offer for which funds are being raised have not been appraised by any bank or financial institution. Any variation between the estimation and actual expenditure as estimated by the management could result in execution delays or influence our profitability adversely.***

The deployment of funds as stated in the “*Objects of the offer*” beginning on page 71 of this Draft Red Herring Prospectus is entirely at the discretion of our management and has not been appraised by any independent agency. Further, the purposes for which the Net Proceeds are to be utilised have not been appraised by an independent entity and are based on our estimates and on third-party quotations. In the event, for whatever reason, we are unable to execute our plans, we could have a significant amount of unallocated net proceeds. In such a situation, we would have broad discretion in allocating these net proceeds from the Offer without any action or approval of our shareholders. In case the assumptions on which these estimates have been made are not correct or they become un-realistic then there will be a variation in the estimates and the actual expenditure incurred which could result in execution delays and have an adverse effect on our operations and profitability.

***42. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.***

Information relating to our production capacities and the historical capacity utilization of our production facilities included in

this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus. For further information, see the section titled “*Business Overview*” on page 109 of this Draft Red Herring Prospectus.

**43. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Though we have insurance coverage against the risks including theft and fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

**44. *We are subject to restrictive covenants under our credit facilities that limit our operational flexibility.***

The loan agreements entered into by us with banks contain specific covenants which require us to obtain the prior approval/ permission from the banks on the occurrence of certain events such as formulation of any scheme of amalgamation or reconstruction, undertaking of any new project or expansion, making any substantial change in our management set up, any change in our capital structure resulting in reduction of capital, etc. We are required to obtain consent/ approval from our lender before undertaking any such steps which have been mentioned in the loan agreements. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see “*Restated Financial Information*” *Statement of Financial Indebtedness*” on page 163 of this Draft Red Herring Prospectus.

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

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Offer size above ₹10,000 Lakh. Hence, we have not appointed a monitoring agency to monitor the utilization of Offer proceeds and the audit committee of our Board will monitor the utilization of Offer proceeds as per the Board Resolution passed in the meeting held on January 24, 2024. There may be some deviations in the utilization of Offer proceeds. Though our Company undertakes to inform these deviations to the NSE and shall also simultaneously make the deviations / adverse comments of the audit committee public, there is no assurance that no bias will ever be exercised against the interest of the public shareholders.

**46. *We will continue to be controlled by our Promoters after the completion of the Offer.***

After the completion of the Offer, our Promoters will hold 85.57% of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot guarantee that our Promoters and Promoter Group will act in our interest while exercising their rights.

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

The Offer price of the equity shares have been based on many factors and may not be indicative of the market price of our Equity Shares after the Offer. For further information please refer to the section titled “*Basis for Offer Price*” beginning on page 83 of the Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares

at or above the Offer Price.

**48. *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, working capital 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 162 of this Draft Red Herring Prospectus.

**49. *Certain key performance indicators for certain listed industry peers included in this Draft Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete***

Pursuant to the requirements of the SEBI ICDR Regulations 2018, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the “*Basis for Offer Price*” beginning on page 83 of the Draft Red Herring Prospectus. Although this information is sourced from and relied upon on the consolidated audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There may be different methodologies and formulas used to compute the various ratios.

**50. *Any future issuance of Equity Shares may dilute your shareholdings, and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future equity issuance by our Company may lead to the dilution of investors’ shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Offer, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

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

We are currently engaged in the manufacture and supply of yarn which attracts tax liability such as Goods and Service Tax and Income Tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with ESI and Provident Fund. Any demand or penalty raised by the concerned authority in future for any previous years or current year will affect the financial position of the Company.

**52. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Draft Red Herring Prospectus.***

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various governmental and organizational web site data that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “*Industry Overview*” beginning on page 96 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**53. *Certain data mentioned in this Draft Red Herring Prospectus has not been independently verified.***

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

verified by us and may be incomplete or unreliable.

## **EXTERNAL RISK FACTORS**

### ***1. A slowdown in economic growth in India may adversely affect our business, financial condition, cash flows, results of operations and prospects.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. Further, there have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil product), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our product and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging markets in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "Key Industry Regulations and Policies" on page 132 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

### ***3. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the Pandemic and Ukraine war has led to a loss of investor confidence in worldwide financial markets. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

### ***4. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, man-made disasters, including acts of war, terrorist attacks, environmental issues and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree

of risk and could have an adverse effect on our business and the price of the Equity Shares.

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

**5. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

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

**6. *If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Government is proposing to notify the consolidated Labour Codes in the near future. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

**7. *Our performance is linked to the stability of policies and the political situation in India.***

The Government of India has traditionally exercised, and continues to exercise, a significant 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. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

**8. *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, depending 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 financing 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 Offer 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.

**9. Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.**

Pursuant to the SEBI ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the Offer within two Working Days from the Bid/ Offer Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

**PROMINENT NOTES**

- Public Offer of Upto 6468000 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the "Offer Price") aggregating to ₹ [●] lakhs ("The Offer"). comprising of a fresh issue upto 4944000 equity shares aggregating to ₹ [●]/- lakhs (the "fresh issue") and an offer for sale of upto 1524000 equity shares by promoter selling shareholder- Mr. Navin Saraogi and selling shareholder – Mrs. Vineeta Vishal Chiripal aggregating to ₹ [●]/- lakhs ("offer for sale"),
- The Net Asset Value per Equity Share (Post-Bonus) of our Company as per the Restated Financials as of March 31, 2021, 2022 and 2023, December 31, 2023, is ₹ 21.16, ₹ 25.15, ₹ 28.30 and ₹ 31.96 per Equity Share, respectively.
- The net worth of our Company as per Restated Financials as of December 31, 2023 is ₹ 6,219.75 lakhs.
- Average cost of acquisition of equity shares by our promoters and Selling Shareholders is as follows:

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)*
1.	Mr. Navin Saraogi	87,52,858	14.66
2.	Mr. Ansh Rajesh Bindal	79,02,167	NIL
3.	Mrs. Vineeta Vishal Chiripal	8,69,198	31.82

*\*The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by him to acquire Shares by way of allotment and Transfer as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.*

For further details, please refer to section titled "Capital Structure" beginning on page no. 57 of this Draft Red Herring Prospectus.

- There has been no change of name of our Company at any time during the last three (3) years immediately preceding the date of filing Draft Red Herring Prospectus, except pursuant to Conversion of company from private Limited to Public Limited.
- There has been no financing arrangement whereby our directors or any of their respective relatives have financed the purchase by any other person of securities of our Company during the six (6) months preceding the date of this Draft Red Herring Prospectus.
- Except as stated under the section titled "Capital Structure" beginning on page no 57 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
- Except as disclosed in the section titled "Capital Structure", "Our Promoters and Promoter Group", "Information with respect to Group Companies/entities" and "Our Management" beginning on page no. 57, 158, 188 and 145 respectively

of this Draft Red Herring Prospectus, none of our Promoters, Directors or Key Managerial Personnel has any interest in our Company.

9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled “*Basis for Offer Price*” beginning on page 83 of the Draft Red Herring Prospectus.

Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Offer. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to section titled “*General Information*” beginning on page 47 of this Draft Red Herring Prospectus.

## SECTION IV – INTRODUCTION

### THE OFFER

The following table sets forth details of the Offer:

Particulars	Details
Equity Shares offered*	Offer of up to 6468000 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
<b>Of which:</b>	
Fresh Issue <sup>(1)</sup>	Up to 4944000 Equity Shares ₹ 10/- each at a price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs.
Offer for Sale <sup>(1),(2)&amp;(3)</sup>	Up to 1524000 Equity Shares ₹ 10/- each at a price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs.
Reserved for Market Makers	[●] Equity Shares of ₹ 10/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Net Offer to the Public	[●] Equity Shares of ₹ 10/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
<b>Of which</b>	
Allocation to Qualified Institutional Buyers	Not more than [●] Equity Shares of ₹ 10/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
<b>Of which</b>	
Anchor Investors	Not more than [●] Equity Shares of ₹ 10/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Net QIB Portion (Assuming Anchor allocation portion is fully subscribed)	Not more than [●] Equity Shares of ₹ 10/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
<b>Of which</b>	
Available for allocation to Mutual Funds only (5% of the QIB portion excluding Anchor Investor Portion)	Not more than [●] Equity Shares of ₹ 10/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Balance QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of ₹ 10/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Allocation to Non-Institutional Investors	At least [●] Equity Shares of ₹ 10/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Allocation to Retail Individual Investors	At least [●] Equity Shares of ₹ 10/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Equity Shares outstanding prior to the Offer	19462491 Equity Shares of ₹ 10/- each
Equity Shares outstanding after the Offer	[●] Equity Shares of ₹ 10/- each
Use of Proceeds	For details, please refer chapter titled “ <i>Objects of The Offer</i> ” beginning on Page no. [●] of this Draft Red Herring Prospectus for information on use of Offer Proceeds.

\*Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of offer price

- (1) This Offer is being made in terms Regulation 253(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- (2) The present Offer has been authorized pursuant to a resolution of our Board dated March 18, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on March 26, 2024.
- (3) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholders has approved the transfer of the Offered Shares as set out below:

<b>Name of the Selling Shareholders</b>	<b>Number of Equity Shares offered in the Offer for Sale (up to)</b>	<b>Date of consent letter</b>
Mr. Navin Saraogi	Upto 6,54,802 Equity Shares	March 18, 2024
Mrs. Vineeta Vishal Chiripal	Upto 8,69,198 Equity Shares	March 18, 2024

The Selling Shareholder has confirmed that the Equity Shares proposed to be offered and sold in the Offer is eligible in term of SEBI (ICDR) Regulations and that he has not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholder has also confirmed that he is the legal and beneficial owner of the Equity Shares being offered by him under the Offer for Sale.

- (4) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for Mutual Funds, subject to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, see “Offer Procedure” beginning on page 217.
- (5) Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the offer will be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than the Anchor Investors, are mandatorily required to participate in this Offer only through an Application Supported by Blocked Amount (“ASBA”) process, providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) in which the Bid amount will be blocked by the Self Certified Syndicate Banks or the Sponsor Bank. The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, please see “Offer Procedure” on page 217.
- (6) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.
- (7) In the event of an under-subscription in the offer and compliance with Rule 19(2)(b) of the SCRR, our Company and the BRLM shall first ensure Allotment of Equity Shares offered pursuant to the Fresh offer by the Offeror.
- (8) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company and Selling Shareholders in consultation with the Book Running Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

**SUMMARY OF FINANCIAL INFORMATION**

<b>Sr. No</b>	<b>Particulars</b>	<b>Page Nos.</b>
1.	Restated Financial Information	SF- 1 to SF-3

Siddhi Cotspin Limited

Formerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

Annexure 1: Statements Of Assets And Liabilities As Restated

( Amount in Lacs )

Particular	Note	As at 31 <sup>st</sup> December, 2023	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b><u>I EQUITY AND LIABILITIES</u></b>					
<b>1 Shareholder's Fund</b>					
a) Share Capital	5	442.33	442.33	442.33	442.33
b) Reserve and Surplus	6	5,777.42	4,975.44	4,373.89	3,608.15
<b>2 Non-Current Liabilities</b>					
a) Long Term Borrowings	7	4,348.90	6,872.03	9,373.52	8,992.92
b) Deferred tax liability	8	430.58	546.54	556.17	346.98
c) Long Term Provision	9	17.43	13.53	16.02	12.82
<b>3 Current Liabilities</b>					
a) Short Term Borrowings	10	4,546.71	4,505.79	4,528.78	4,361.74
b) Trade Payable	11	1,331.41	840.58	374.90	208.56
c) Other Current Liabilities	12	147.82	57.68	156.88	313.05
d) Short Term Provision	13	341.73	158.63	192.05	60.04
<b>Total</b>		<b>17,384.34</b>	<b>18,412.56</b>	<b>20,014.54</b>	<b>18,346.59</b>
<b><u>II ASSETS</u></b>					
<b>1 Non-Current Assets</b>					
a) Property, Plant and Equipment and Intangible Assets	14	6,924.87	7,624.04	8,270.27	9,868.28
b) Non current Investment	15	0.01	0.01	0.01	0.01
c) Other Non Current Assets	16	103.59	103.59	238.88	240.00
<b>2 Current Assets</b>					
a) Inventories	17	2,839.01	2,215.15	2,887.88	1,874.05
b) Trade Receivables	18	5,246.56	4,806.40	4,352.07	3,111.81
c) Cash and Cash Equivalents	19	146.71	1,473.05	1,992.42	983.89
d) Short Term Loans And Advances	20	2,108.86	2,139.82	2,236.67	2,203.52
e) Other Current Assets	21	14.72	50.50	36.34	65.04
<b>Total</b>		<b>17,384.34</b>	<b>18,412.56</b>	<b>20,014.54</b>	<b>18,346.59</b>

As per our report of even date attached.

For and On Behalf of  
JPMK And Company  
Chartered Accountants

CA Jitendra Vageriya  
Partner  
M.NO.: 114424 FRN: 124193W

UDIN: 24114424BKAPRK4930  
Place: Ahmedabad  
Date: 28.03.2024

For and on behalf of the Board of Directors of  
Siddhi Cotspin Limited

Navin Saraogi  
Director  
DIN: 00623331

Vardhaman Parimalkumar Shah  
Chief Financial Officer

Place: Ahmedabad  
Date: 28.03.2024

Aansh Rajesh Bindal  
Director  
DIN: 10432834

Jagdish Shamjibhai Kanzariya  
Company Secretary  
M.No: 47974

**Siddhi Cotspin Limited**

Formerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

**Annexure 2: Statements Of Profit And Loss As Restated**

( Amount in Lacs )

Particular	Note	April 2023 - December 2023	2022-23	2021-22	2020-21
<b>I Income</b>					
Revenue From Operations	22	35,739.99	19,932.60	40,238.93	13,744.67
Other Income	23	25.29	55.61	66.45	59.18
<b>Total Income (A)</b>		<b>35,765.28</b>	<b>19,988.21</b>	<b>40,305.39</b>	<b>13,803.85</b>
<b>II Expenses</b>					
Cost of Materials Consumed	24	30,811.07	16,389.65	33,533.16	8,902.89
Purchase of Stock in Trade	25	606.89	-	-	-
Changes in Inventory	26	47.12	(781.39)	(705.78)	217.50
Employee Benefits Expense	27	479.75	499.21	712.47	529.57
Finance Costs	28	642.73	752.86	576.37	817.82
Depreciation and Amortization	14	700.03	919.60	1,681.91	1,270.25
Other Expenses	29	1,311.87	1,314.83	3,408.63	1,767.22
<b>Total Expenses (B)</b>		<b>34,599.46</b>	<b>19,094.76</b>	<b>39,206.76</b>	<b>13,505.26</b>
<b>III Profit before tax (A-B)</b>		<b>1,165.82</b>	<b>893.45</b>	<b>1,098.62</b>	<b>298.59</b>
IV Tax expense					
a) Current Tax		336.41	149.13	191.95	49.84
b) (Short)/Excess Provision		-	-	-	-
c) Deferred tax		(115.96)	(9.63)	209.19	70.31
d) Mat Credit Entitlement		143.39	152.39	(68.26)	(49.84)
<b>Total Tax (C)</b>		<b>363.84</b>	<b>291.89</b>	<b>332.88</b>	<b>70.31</b>
Preference Dividend			-	-	0.00
<b>V Profit (Loss) for the period</b>		<b>801.98</b>	<b>601.56</b>	<b>765.74</b>	<b>228.28</b>
Earnings per equity share (In Rupees)					
- Basic	30	4.18	3.14	4.00	1.19
- Diluted	30	4.12	3.09	3.93	1.17

As per our report of even date attached.

For and On Behalf of  
JPMK And Company  
Chartered Accountants

For and on behalf of the Board of Directors of  
Siddhi Cotspin Limited

CA Jitendra Vageriya  
Partner  
M.NO.: 114424 FRN: 124193W

Navin Saraogi  
Director  
DIN: 00623331

Aansh Rajesh Bindal  
Director  
DIN: 10432834

Vardhaman Parimalkumar Shah  
Chief Financial Officer

Jagdish Shamjibhai Kanzariya  
Company Secretary  
M.No: 47974

UDIN: 24114424BKAPRK4930  
Place: Ahmedabad  
Date: 28.03.2024

Place: Ahmedabad  
Date: 28.03.2024

**Siddhi Cotspin Limited**

Fomerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

**Annexure 3: Statements Of Cashflow As Restated****( Amount in Lacs )**

<b>Particular</b>	<b>Note</b>	<b>As at 31st December, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>I Cash flow from Operating Activities:</b>					
Net Profit Before tax as per Statement of Profit & Loss		1,165.82	893.45	1,098.62	298.59
<b>Adjustments for:</b>					
Depreciation & Amortisation Exp.	14	700.03	919.60	1,681.91	1,270.25
Finance Cost	28	642.73	752.86	576.37	817.82
Interest Income	23	(25.29)	(54.57)	(62.79)	(58.38)
<b>Changes in Working Capital</b>					
Trade Payable	11	490.83	465.68	166.35	(1,021.29)
Other Current Liabilities	12	90.14	(99.20)	(156.17)	(900.08)
Provision Impact	13&9	(87.18)	(130.54)	(37.59)	14.94
Other Non Current Assets	16	-	(0.07)	(2.33)	-
Inventories	17	(623.87)	672.73	(1,013.83)	(191.40)
Trade Receivables	18	(440.16)	(454.33)	(1,240.27)	783.57
Short Term Loans And Advances	20	(112.43)	(55.54)	35.11	(1,303.31)
Other Current Assets	21	35.78	(14.17)	28.70	1,301.12
<b>Income Tax Paid</b>		(62.24)	(54.49)	(19.16)	(72.17)
<b>Net Cash Flow from Operating Activities (A)</b>		<b>1,774.16</b>	<b>2,841.40</b>	<b>1,054.94</b>	<b>939.66</b>
<b>II Cash flow from investing Activities</b>					
Purchase/Sale of Fixed Assets (Net)	14	(0.86)	(273.37)	(83.90)	(228.40)
Non Current Deposits With Bank	16	(0.00)	135.36	3.45	(208.49)
Interest Income	23	25.29	54.57	62.79	58.38
<b>Net Cash Flow from Investing Activities (B)</b>		<b>24.43</b>	<b>(83.44)</b>	<b>(17.67)</b>	<b>(378.50)</b>
<b>III Cash Flow From Financing Activities</b>					
Proceeds from Issue of Capital	5	-	-	-	65.99
Changes in Borrowing					
Long term borrowings	7	(2,523.12)	(2,501.49)	380.60	(307.10)
Short term borrowings	10	40.92	(22.98)	167.03	1,412.15
Finance Cost		(642.73)	(752.86)	(576.37)	(817.82)
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(3,124.93)</b>	<b>(3,277.33)</b>	<b>(28.74)</b>	<b>353.23</b>

**Siddhi Cotspin Limited**

Fomerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

**Annexure 3: Statements Of Cashflow As Restated****( Amount in Lacs )**

Particular	Note	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
IV Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)		(1,326.34)	(519.37)	1,008.53	914.38
Opening Balance		1,473.05	1,992.42	983.89	69.52
Closing Balance		146.71	1,473.05	1,992.42	983.90
<b>Cash And Cash Equivalents Comprise:</b>					
Cash		3.83	4.51	3.04	0.92
Bank Balance					
In Current Account		91.88	601.83	1,152.56	216.98
In Deposits					
- Maturity of Less Than 3 Months		-	-	-	-
Other Balances		51.00	866.71	836.82	766.00
<b>Total Cash Balance</b>		<b>146.71</b>	<b>1,473.05</b>	<b>1,992.42</b>	<b>983.89</b>

As per our report of even date attached.

For and On Behalf of

JPMK And Company

Chartered Accountants

CA Jitendra Vageriya

Partner

M.NO.: 114424 FRN: 124193W

UDIN: 24114424BKAPRK4930

Place: Ahmedabad

Date: 28.03.2024

For and on behalf of the Board of Directors of

Siddhi Cotspin Limited

Navin Saraogi

Director

DIN: 00623331

Vardhaman Parimalkumar Shah

Chief Financial Officer

Place: Ahmedabad

Date: 28.03.2024

Aansh Rajesh Bindal

Director

DIN: 10432834

Jagdish Shamjibhai Kanzariya

Company Secretary

M.No: 47974

## SECTION V – GENERAL INFORMATION

Our Company was originally formed and registered as a Private Limited under the Companies Act, 2013 (“Companies Act”) under the name and style of “Siddhi Cotspin Private Limited”, pursuant to a Certificate of Incorporation dated November 23, 2015 issued by Registrar of Companies, Gujarat. Later on, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on January 29, 2024 and the name of our Company was changed to “Siddhi Cotspin Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated February 12, 2024 was issued by the Registrar of Companies, Ahmedabad. For further details in relation to the change of registered office of our Company, see "History and Certain Corporate Matters" beginning on page 141 of this Draft Red Herring Prospectus.

### BRIEF INFORMATION ON COMPANY AND OFFER

Particulars	Details			
<b>Name of Offeror</b>	Siddhi Cotspin Limited			
<b>Registered Office/Corporate Office</b>	<b>Registered Office:</b> Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat, India, 382240 <b>Corporate Office:</b> 322, 3rd Floor, Swaminarayan Plaza -1 Nr. Gokulesh Petrol Pump Narol, Ahmadabad, Gujarat, India, 382405 <b>Telephone No.:</b> +91 70690 08810; <b>Web site:</b> <a href="http://www.siddhicotspin.com">www.siddhicotspin.com</a> <b>E-Mail:</b> <a href="mailto:cs@siddhicotspin.com">cs@siddhicotspin.com</a> <b>Contact Person:</b> Mr. Jagdish Shamjibhai Kanzariya			
<b>Date of Incorporation</b>	November 23, 2015			
<b>Company Identification Number</b>	U17123GJ2015PLC085135			
<b>Company Registration Number</b>	085135			
<b>Company Category</b>	Company Limited by Shares			
<b>Registrar of Company</b>	ROC- Ahmedabad			
<b>Address of the RoC</b>	ROC Bhavan, Ahmedabad, RoC Bhavan Opp Rupal Park Society, Behind Ankur Bus Stop, Gujarat, 380013, India Phone: 079-27438531 / 079-27438371			
<b>Company Secretary and Compliance Officer</b>	Mr. Jagdish Shamjibhai Kanzariya <b>M/s. Siddhi Cotspin Limited</b> Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat, India, 382240 <b>Telephone No.:</b> +91 70690 08810; <b>Web site:</b> <a href="http://www.siddhicotspin.com">www.siddhicotspin.com</a> <b>E-Mail:</b> <a href="mailto:cs@siddhicotspin.com">cs@siddhicotspin.com</a>			
<b>Designated Stock Exchange</b>	EMERGE Platform of National Stock Exchange of India Limited <b>Address:</b> Exchange Plaza, Plot no. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400051			
<b>Offer Programme</b>	<b>BID/OFFER OPENS ON*:</b>	<b>[•]</b>	<b>BID/ OFFER CLOSES ON**:</b>	<b>[•]</b>

\*Our Company have in consultation with the Book Running Lead Manager, considered participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period was open one Working Day prior to the Bid/ Offer Opening Date.

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

^UPI mandate end time and date shall be 5:00 pm on the Bid/ Offer Closing Date

**Note:** Investors can contact the Company Secretary & Compliance officer in case of any Pre-Offer or Post Offer related problems such as non-receipt of letter of allotment or credit of securities in depository’s beneficiary account or dispatch of refund order etc.

All grievances relating to the ASBA process and UPI Process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSB to whom the Application was submitted or Sponsor Bank, as the case may be. The Applicant should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, UPI ID (in case of RII’s if applicable), date of submission of the Bid cum Application Form, address of the Bidder, number of Equity

Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Investors shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries/SCSB in addition to the information mentioned hereinabove.

#### BOARD OF DIRECTORS OF OUR COMPANY

Presently our Board of Directors comprises of following Directors.

Sr. No.	Name	Designation	Address	DIN
1.	Mr. Navin Saraogi	Chairman and Managing Director	A-21, Rivera Heights B/H Shrnarn-10, Prahladnagar Satellite, Ahmedabad, Gujarat - 380015	00623331
2.	Mr. Aansh Rajesh Bindal	Whole-Time Director	10, Mangalyam Society, Near Ocean Park, Satellite Road, Ahmedabad, Gujarat- 380015	10432834
3.	Ms. Drashti Laxmikant Solanki	Independent Director	Plot No. 821/2, Sector-7/C, Gandhinagar, Gujarat – 382 007	10136197
4.	Mr. Sumit Jayantibhai Patel	Independent Director	C-304 Celino, Opp. Nikol Police Station Side, S P Ring Road, Nikol, Ahmedabad-382350	08206567
5.	Mr. Aayush Kamleshbhai Shah	Independent Director	901, Gulmohar Heights, Opp Madhur Hall, Anandnagar Cross Road, Satellite Ahmedabad City, Ahmedabad, Gujarat-380015	10149440

For further details pertaining to the education qualification and experience of our Directors, please refer to the chapter titled “Our Management” beginning from page no. 145 of this Draft Red herring Prospectus.

#### DETAILS OF KEY MARKET INTERMEDIARIES PERTAINING TO THIS OFFER AND OUR COMPANY

BOOK RUNNING LEAD MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
	
<p><b>SWASTIKA INVESTMART LIMITED</b>  <b>SEBI Registration Number:</b> INM000012102  <b>Merchant Banking Division Address:</b> Flat No18, Floor 2, North Wing, Madhaveshwar Coop Hsg Society Ltd, Madhav Nagar, 11/12, S V Road, Andheri (W), Mumbai - 400058 (Maharashtra).  <b>Telephone Number:</b> +91-22-26254568-69  <b>Email Id:</b> <a href="mailto:merchantbanking@swastika.co.in">merchantbanking@swastika.co.in</a>  <b>Investors Grievance Id:</b> <a href="mailto:investorgrievance@swastika.co.in">investorgrievance@swastika.co.in</a>  <b>Website:</b> <a href="http://www.swastika.co.in">www.swastika.co.in</a>  <b>Contact Person:</b> Mr. Mohit R. Goyal  <b>CIN:</b> L65910MH1992PLC067052</p>	<p><b>KFin Technologies Limited</b>  <b>SEBI Registration Number:</b> INR000000221  <b>Address:</b> Selenium Tower-B, Plot 31 &amp; 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.  <b>Tel. Number:</b> +91 40 6716 2222  <b>Toll Free No-</b> 1800 309 4001  <b>Email Id:</b> <a href="mailto:scpl.ipo@kfintech.com">scpl.ipo@kfintech.com</a>  <b>Investors Grievance Id:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>  <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a>  <b>Contact Person:</b> M Murali Krishna  <b>CIN:</b> L72400TG2017PLC117649</p>
STATUTORY AUDITOR OF THE COMPANY	LEGAL ADVISOR TO THE OFFER
<p><b>M/S. VIJAY MOONDR &amp; CO.</b>  <b>Chartered Accountants</b>  <b>Address:</b> 201, 202 Sarap Building, Opp. Navjivan Press, Near Income Tax, Ashram Road Ahmedabad, Gujarat - 380014  <b>Telephone No.:</b> 079-27540550</p>	<p><b>Zenith India Lawyers</b>  <b>Address:</b> D-49, SL-III, Sector-57, Gurugram, Haryana-122003  <b>Telephone:</b> +91 9899016169  <b>Email:</b> <a href="mailto:raj@zilawyers.com">raj@zilawyers.com</a>  <b>Website:</b> <a href="http://www.zilawyers.com">www.zilawyers.com</a></p>

<b>Email Id:</b> vk_moondra@rediffmail.com <b>Website:</b> www.vijaymoondra.com <b>Contact Person:</b> Vinit Moondra <b>Firm Registration No.:</b> 112308W <b>Membership No.:</b> 070431 <b>Peer Review No.:</b> 014768	<b>Contact Person :</b> Raj Rani Bhalla <b>Designation :</b> Managing Partner
<b>PEER REVIEW AUDITOR OF THE COMPANY</b>	<b>BANKERS TO THE COMPANY</b>
<b>M/S. JPMK &amp; CO,</b> <b>Chartered Accountants</b> <b>Address:</b> 704, Abhishree Avenue, Opp. Hanuman Temple, Nehrunagar Circle, SM Road, Ambawadi, Ahmedabad, Gujarat-380015 <b>Telephone No.:</b> +91 79 40307337 (M): +91 9824250131 <b>Email Id:</b> <a href="mailto:JVA@VAGERIYA.COM">JVA@VAGERIYA.COM</a> <b>Contact Person:</b> CA Jitendra Vageriya <b>Firm Registration No.:</b> 124193W <b>Membership No.:</b> 015399	<b>CANARA BANK</b> <b>Address:</b> Neptune Tower, Ashram Road, Ahmedabad-380009 <b>Tel:</b> 9427314762 <b>Email:</b> <a href="mailto:cb17010@canarabank.com">cb17010@canarabank.com</a> <b>Website:</b> <a href="http://www.canarabank.com">www.canarabank.com</a> <b>Contact Person:</b> B P Pradhan
<b>BANKERS TO THE OFFER, REFUND BANKER AND SPONSOR BANK</b>	<b>SYNDICATE MEMBER</b>
[●]	[●]

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at

<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or 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 Bidders (other than RIBs) 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. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at [www.sebi.gov.in](http://www.sebi.gov.in).

### Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI circular No SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the UPI Bidders may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues using UPI mechanism, is provided in the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, as updated from time to time.

## BROKERS TO THE OFFER

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/> and <https://www.nseindia.com/>, as updated from time to time.

## REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided at

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

## DESIGNATED COLLECTING DEPOSITORY PARTICIPANTS

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Swastika Investmart Limited is only Book Running Lead Manager to the Offer, all the responsibility of the Offer will be managed by them.

## CREDIT RATING

As this is an Offer of Equity Shares, there is no credit rating for this Offer.

## IPO GRADING

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

## FILING OF DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS/PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

Draft Red herring Prospectus will not be filed with SEBI nor SEBI will offer any observation on the draft offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>

A copy of Draft Red Herring Prospectus will be available on website of the company [www.siddhicotspin.com](http://www.siddhicotspin.com), Book Running Lead Manager [www.swastika.co.in](http://www.swastika.co.in) and stock exchange [www.nseindia.com](http://www.nseindia.com)

A copy of the Red Herring Prospectus, along with the material documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies, Ahmedabad and through the electronic portal at <http://www.mca.gov.in/mcafoportal>

## CHANGES IN AUDITORS IN LAST THREE YEARS

Particulars	Date of Change	Reason for change
<b>M/S. A. O. AGRAWAL &amp; CO.</b> <b>Chartered Accountants</b> <b>Address:</b> B-1006, Sankalp Iconic Tower, Opp Double Tree by Hilton, Bopal Ambli Road, Ahmedabad-380058 <b>Tel. No.:</b> 079-66172121, <b>Mo.:</b> 98258 00193 <b>Email Id:</b> <a href="mailto:aoagrawal.prahladnagar@gmail.com">aoagrawal.prahladnagar@gmail.com</a> <b>Contact Person:</b> CA Sanjay Agrawal	October 19, 2021	Appointment / Re appointment of Statutory Auditor for a Period of 5 years

<b>Membership No.:</b> 106246 <b>Firm Registration No:</b> 119827W		
<b>M/S. A. O. AGRAWAL &amp; CO.</b> <b>Chartered Accountants</b> <b>Address:</b> B-1006, Sankalp Iconic Tower, Opp Double Tree by Hilton, Bopal Ambli Road, Ahmedabad-380058 <b>Tel. No.:</b> 079-66172121, <b>Mo.:</b> 98258 00193 <b>Email Id:</b> <a href="mailto:aograwal.prahladnagar@gmail.com">aograwal.prahladnagar@gmail.com</a> <b>Contact Person:</b> CA Sanjay Agrawal <b>Membership No.:</b> 106246 <b>Firm Registration No:</b> 119827W	December 28, 2023	Resignation due to Pre-occupation in other assignments
<b>M/S. VIJAY MOONDRA &amp; CO.</b> <b>Chartered Accountants</b> <b>Address:</b> 201-202, Sarap, Opp. Navjivan Press, Near Income Tax Cross Roads, Ashram Road, Ahmedabad, Gujarat- 380014 <b>Tel. No.:</b> 079 2754 1569 <b>Email Id:</b> <a href="mailto:vk_moondra@rediffmail.com">vk_moondra@rediffmail.com</a> <b>Contact Person:</b> CA Vinit Moondra <b>Membership No.:</b> 119398 <b>Firm Registration No:</b> 112308W	January 03, 2024	Appointment as Statutory Auditor of the company for the Financial Year 2023-24, to fill casual vacancy

#### TRUSTEES

As this is an offer of Equity Shares, the appointment of Trustees is not required.

#### APPRAISAL AND MONITORING AGENCY

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Offer size exceeds ₹ 10,000 Lakh. Hence, our Company is not required to appoint a monitoring agency in relation to the offer. However, Audit Committee of our Company will be monitoring the utilization of the Offer Proceeds.

The object of the offer and deployment of funds are not appraised by any independent agency/bank/financial institution.

#### BOOK BUILDING PROCESS

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and in regional newspaper where our registered office is situated at least two working days prior to the Bid/Offer Opening date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Offer Closing Date. For further details, please refer to the chapter titled “Offer Procedure” beginning from page no. 217.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager in this case being Swastika Investmart Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with NSE Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Offer;
- The Escrow Collection Banks/ Bankers to the Offer and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Offer of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations

The Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15 % of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Non-Institutional Investors with an application size of up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism.

In accordance with the SEBI ICDR Regulations, QIBs and NIBs are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs Bidding in the Retail Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Offer Period. Except for Allocation to RIBs, and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and the Bidding Process are subject to change from time to time and Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Offer. For details in this regards, specific attention is invited to the chapter titled “Offer Procedure” beginning from page no 217 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.

For further details on the method and procedure for Bidding, please see section entitled “Offer Procedure” on page 217 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Offeror at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Offeror is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “Offer Procedure” on page 217 of this Draft Red Herring Prospectus);

- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### **Bid/Offer Program:**

<b>Event</b>	<b>Indicative Dates</b>
Bid/ Offer Opening Date	[●]
Bid/ Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 (Three) Working Days of the Bid/ Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Offer Period (except for the Bid/ Offer Closing Date). On the Bid/ Offer Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Offer Closing Date maybe extended in consultation with the BRLM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/ Offer Closing Date, as is typically experienced in public Offer, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

#### **WITHDRAWAL OF THE OFFER**

Our Company in consultation with the BRLM, reserves the right not to proceed with the Offer at any time before the Bid/ Offer Opening Date without assigning any reason thereof.

If our Company withdraws the Offer any time after the Offer Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Offer advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Offer, 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 withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to proceed with an Offer 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 Offer 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 AGREEMENT

This Offer is 100% Underwritten. After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each Book Running Lead Manager shall be as per the Underwriting Agreement. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, specified therein.

The Underwriting agreement has been entered on [●] and the Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Offer:

Details of the Underwriter	No. of shares underwritten*	Amount Underwritten (₹ in Lakh)	% of the total Offer Size Underwritten
[●]	[●]	[●]	100%

\*Includes [●] Equity shares of ₹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.

Note: Our company undertakes to enter into the underwriting agreement prior to filing of Red Herring Prospectus with Registrar of Companies, Ahmedabad.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above-mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company and the Book Running Lead Manager have entered into an agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making:

[●]

The Market Maker shall the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018 and the circulars issued by the NSE and SEBI in this regard from time to time.

Following is a summary of the key details pertaining to the proposed 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 issued by the Market Maker(s).

- 2) 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/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) 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 Offer Size (Including the [●] Equity Shares ought to be allotted under this Offer). Any Equity Shares allotted to Market Maker under this Offer over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Offer Size. As soon as the Shares of market maker in our Company reduce to 24% of Offer Size, the market maker will resume providing 2-way quotes.
- 5) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- 6) 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.
- 7) 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. In case equilibrium price is not discovered the price band in the normal trading session shall be based on Offer price.
- 8) The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 9) 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.
- 10) The Market Maker(s) shall have the right to terminate said arrangement by giving a One month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).
- 11) In case of termination of the Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.
- 12) Risk containment measures and monitoring for Market Makers: Emerge Platform of NSE will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 13) Punitive Action in case of default by Market Makers: Emerge Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market 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 maker issuing 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.
- 14) 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.
- 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 ₹ 250 crores, the applicable price bands for the first day shall be:

- 16) 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.
- 17) 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.
- 18) Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- 19) 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 Offer size and as follows:

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

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

## SECTION VI - CAPITAL STRUCTURE

The Equity Share Capital of our Company, before the offer and after giving effect to the offer, as on the date of filing of the Draft Red Herring Prospectus, is set forth below:

(₹ In Lakh except per share amount)			
Sr. No.	Particulars	Aggregate Nominal value	Aggregate value at offer price
1.	<b>AUTHORIZED SHARE CAPITAL</b>		
	2,49,00,000 Equity Shares of face value of ₹ 10/- each	2,490.00	–
2.	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE OFFER</b>		–
	1,94,62,491 Equity Shares of face value of ₹ 10/- each	1,946.25	–
3.	<b>PRESENT OFFER IN TERMS OF THE DRAFT RED HERRING PROSPECTUS*</b>		
	Offer of up to 64,68,000 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share.	646.80	[●]
	<b>Which comprises</b>		
	(a) Fresh issue of up to 49,44,000 Equity Shares of face value of ₹10 each at a price of ₹ [●]/- per Equity Share.	494.40	[●]
	(b) Offer for Sale of up to 15,24,000 Equity Shares of face value of ₹10 each at a price of ₹ [●]/- per Equity Share.	152.40	[●]
	<b>Reservation for Market Maker:</b> [●] Equity Shares of ₹ 10/- each at an Offer Price of ₹ [●]/- per Equity Share reserved as Market Maker Portion	[●]	[●]
	<b>Net Offer to Public:</b> [●] Equity Shares of ₹ 10/- each at an Offer Price of ₹ [●]/- per Equity Share to the Public	[●]	[●]
	<b>Net Offer to Public consists of</b>		
	<b>Allocation to Qualified Institutional Buyers:</b> [●] Equity Shares of ₹ 10/- each at an Offer Price of ₹ [●]/- per Equity Share will be available for allocation to Qualified Institutional Buyers	[●]	[●]
	<b>Of which:</b>		
	(a) Anchor Investor Portion- [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
	(b) Net QIB Portion (assuming the anchor Investor Portion is fully subscribed)- [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
	<b>Of which:</b>		
	(i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)- Upto [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
	(ii) Balance of QIB Portion for all QIBs including Mutual Funds- Upto [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
	<b>Allocation to Non-Retail Investors:</b> At least [●] Equity Shares of face value of ₹10 each at an Offer Price of ₹ [●]/- per share will be available for allocation to Non-Institutional Investors	[●]	[●]
	<b>Allocation to Retail Individual Investors:</b> At least [●] Equity Shares of ₹ 10/- each at an Offer Price of ₹ [●]/- per Equity Share will be available for allocation to Retail Investors	[●]	[●]

4.	<b>PAID UP EQUITY CAPITAL AFTER THE OFFER</b> [●] Equity Shares of ₹ 10/- each		[●]
5.	<b>SECURITIES PREMIUM ACCOUNT</b>	Before the Offer	2687.29
		After the Offer	[●]

\*The Present Offer has been authorized pursuant to a resolution of our Board of Directors dated March 18, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of the members held on March 26, 2024.

#### CLASS OF SHARES

The company has only one class of shares i.e., Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari- passu in all respects. All Equity Shares offered are fully paid-up as on date of the Draft Red Herring Prospectus.

Our Company does not have any partly paid-up equity shares as on the date of this Draft Red Herring Prospectus. Our Company does not have any outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

#### NOTES TO THE CAPITAL STRUCTURE:

##### 1. Changes in the Authorized Share Capital of our Company:

Since Incorporation of our Company, the authorized equity share capital of our Company has been changed in the manner set forth below:

Sr. No.	Particulars of Increase	Cumulative no. of Equity Shares	Cumulative Authorized Share Capital (₹ in Lakh)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation	10,000	1.00	N.A.	N.A.
2.	Increase in authorized equity share capital from ₹ 1.00 Lakhs to ₹ 150.00 Lakhs	15,00,000	150.00	March 12, 2016	EGM
3.	Increase in authorized equity share capital from ₹ 150.00 Lakhs to ₹ 450.00 Lakhs	45,00,000	450.00	September 30, 2016	EGM
4.	Increase in authorized equity capital from ₹ 450.00 Lakhs to 490.00 Lakhs	49,00,000	490.00	March 24, 2017	EGM
5.	Authorized share capital of ₹ 490.00 Lakhs shall be reclassified and comprise of 46,25,000 Equity shares aggregating of ₹ 462.50 Lakhs of ₹ 10/- each and 2,75,000 Preference shares aggregating of ₹ 27.50 lakhs of ₹10/- each.	46,25,000	462.50	March 28, 2017	EGM
		2,75,000	27.50	March 28, 2017	EGM
6.	Authorized share capital of ₹ 490.00 Lakhs shall be reclassified and comprise of 45,65,000 Equity shares aggregating of ₹ 456.50 Lakhs of ₹ 10/- each and 3,35,000 Preference shares aggregating of ₹ 33.50 lakhs of ₹10/- each.	45,65,000	456.50	August 07, 2020	EGM
		3,35,000	33.50	August 07, 2020	EGM
7.	Authorized share capital of ₹ 490.00 Lakhs shall be reclassified and comprise of 45,65,000 Equity shares aggregating of ₹ 456.50 Lakhs of ₹ 10/- each and 3,35,000 Preference shares aggregating of ₹	49,00,000	490.00	December 21, 2023	EGM

Sr. No.	Particulars of Increase	Cumulative no. of Equity Shares	Cumulative Authorized Share Capital (₹ in Lakh)	Date of Meeting	Whether AGM/ EGM
	33.50 lakhs of ₹10/- each. to ₹ 490.00 Lakhs divided into 49,00,000 Equity Shares of ₹10/- each.				
8.	Increase in authorized equity capital from ₹ 490.00 Lakhs to ₹ 2,490.00 Lakhs	2,49,00,000	2,490.00	January 03, 2024	EGM

## 2. History of Paid-up Share Capital:

Our existing Paid-up Equity Share Capital has been subscribed and allotted in the manner set forth below:

Date of allotment	Nature of allotment	No. of Equity / Preference Shares allotted	Face value (In ₹)	Offer price (In ₹)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Number of Preference Shares	Cumulative Paid-up share Capital (₹ in Lakh)	Cumulative Share Premium (In ₹ Lakhs)
November 23, 2015	Subscription to Memorandum of Association <sup>(1)</sup>	10,000	10	10	Cash	10,000	-	1.00	NIL
March 30, 2016	Preferential Allotment <sup>(2)</sup>	14,90,000	10	40	Cash	15,00,000	-	150.00	447.00
November 25, 2016	Right Issue <sup>(3)</sup>	15,00,000	10	40	Cash	30,00,000	-	300.00	897.00
April 07, 2017	Preferential Allotment <sup>(4)</sup>	2,70,001	10	140	Cash	30,00,000	2,70,001	327.00	1248.00
May 05, 2017	Conversion of Unsecured Loan into equity shares <sup>(5)</sup>	11,07,143	10	140	Other than Cash	41,07,143	2,70,001	437.71	2687.29
September 03, 2020	Right Issue <sup>(6)</sup>	46,150	10	143	Cash	41,07,143	3,16,151	442.33	2748.67
November 08, 2023	Conversion of Preference Shares into Equity Shares <sup>(7)</sup>	3,16,151	10	NIL	Other than Cash	44,23,294	-	442.33	2748.67
January, 16 2024	Bonus Issue <sup>(8)</sup>	1,50,39,197	10	NIL	Other than Cash	1,94,62,491	-	1,946.25	2748.67

<sup>(1)</sup> The details of Initial Subscription to Memorandum of Association of 10000 Equity Shares on November 23, 2015, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Offer Price per share (in ₹)
1.	Navin Saraogi	5,000	10	10
2.	Sanjay Premchand Bindal	5,000	10	10
<b>Total</b>		<b>10,000</b>	<b>10</b>	<b>10</b>

(2) The details of allotment of 14,90,000 Equity Shares on Right Issue made on March 30, 2016 are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Offer Price per share (in ₹)
1.	Navin Saraogi	7,45,000	10	40
2.	Sanjay Premchand Bindal	7,45,000		
<b>Total</b>		<b>14,90,000</b>	<b>10</b>	<b>40</b>

(3) The details of allotment of 15,00,000 Equity shares made on November 25, 2016, by way of Right Issue, in the ratio of 1:1 i.e., 1 (One) New Equity Shares for every 1 (One) Equity Shares held are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Offer Price per share (in ₹)
1.	Navin Saraogi	7,50,000	10	40
2.	Sanjay Premchand Bindal	7,50,000		
<b>Total</b>		<b>15,00,000</b>	<b>10</b>	<b>40</b>

(4) The details of allotment of 2,70,001 Preference Shares made on April 07, 2017 are as follows:

Sr. No.	Name of Allottee	No. of Preference Shares Allotted	Face Value per share (in ₹)	Offer Price per share (in ₹)
1.	Yogesh Manharbhai Raval	36,429	10	140
2.	Shailesh Babulal Patel	2,33,572		
<b>Total</b>		<b>2,70,001</b>	<b>10</b>	<b>140</b>

(5) The details of allotment of 11,07,143 Equity Shares made on May 04, 2017 pursuant to the conversion of unsecured loan in to Equity Shares, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Offer Price per share (in ₹)
1.	Navin Saraogi	4,89,286	10	140
2.	Sanjay Premchand Bindal	6,17,857		
<b>Total</b>		<b>11,07,143</b>	<b>10</b>	<b>140</b>

(6) The details of allotment of 46,150 preference shares made on September 03, 2020, are as follows:

Sr. No.	Name of Allottee	No. of Preference Shares Allotted	Face Value per share (in ₹)	Offer Price per share (in ₹)
1.	Shaileshkumar B Patel	46,150	10	133
<b>Total</b>		<b>46,150</b>	<b>10</b>	<b>133</b>

(7) The details of conversion of 3,16,151 preference shares into equity shares on November 08, 2023 are as follows:

Sr. No.	Name of Allottee	No. of Preference Shares Converted	Face Value per share (in ₹)	Offer Price per share (in ₹)
1.	Yogesh Manharbhai Raval	36,429	10	--
2.	Shaileshkumar B Patel	2,79,722		
<b>Total</b>		<b>3,16,151</b>	<b>10</b>	<b>---</b>

(8) The details of allotment of 15039197 equity shares made on January 16, 2024 by way of Bonus Issue are as follows:

Sr. No.	Name of Allottees	No. of Equity Shares	Face Value (in ₹)	Offer Price (in ₹)
1.	Navin Saraogi	67,63,572	10.00	NIL
2.	Aansh Rajesh Bindal	51,27,240		
3.	Patel Dashrathbhai	340		

4.	Shaileshkumar B Patel	340		
5.	Vineeta Vishal Chiripal	6,71,653		
6.	Yogesh Manharbhai Raval	340		
7.	Pushpa P. Bindal	23,52,194		
8.	Sarthak Bindal	59,211		
9.	Sanjana Sanjay Bindal	59,207		
10.	Sudhir Kumar Jain	5,100		
<b>TOTAL</b>		<b>1,50,39,197</b>		

3. Except as disclosed below we have not issued any Equity shares for consideration other than Cash.

The details of allotment of 1,50,39,197 Bonus Equity Shares made on January 16, 2024 in ratio of 340:100 i.e., 340 (Three Hundred Forty) fully paid-up Equity Shares for every 100 (One Hundred) Equity Shares held on January 15, 2024, are as follows:

Sr. No.	Name of Allottees	No. of Equity Shares	Face Value (in ₹)	Offer Price (in ₹)
1.	Navin Saraogi	67,63,572	10.00	NIL
2.	Aansh Rajesh Bindal	51,27,240		
3.	Patel Dashrathbhai	340		
4.	Shaileshkumar B Patel	340		
5.	Vineeta Vishal Chiripal	6,71,653		
6.	Yogesh Manharbhai Raval	340		
7.	Pushpa P. Bindal	23,52,194		
8.	Sarthak Bindal	59,211		
9.	Sanjana Sanjay Bindal	59,207		
10.	Sudhir Kumar Jain	5,100		
<b>TOTAL</b>		<b>1,50,39,197</b>		

- Our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 230 to 234 of the Companies Act, 2013.
- Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Our Company has not made an allotment at a price lower than the Offer Price during the past one year from the date of the Draft Red Herring Prospectus except as details of which are provided in point no.2 <sup>(7)</sup> and <sup>(8)</sup>
- Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed offer. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.

#### 8. Our Shareholding Pattern:

The Shareholding Pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

**Declaration**

<b>Sr. No.</b>	<b>Particular</b>	<b>Yes/No</b>	<b>Promoters and Promoters Group</b>	<b>Public shareholder</b>	<b>Non-Promoters – Non-Public</b>
1.	Whether the Company has issued any partly paid-up shares?	No	No	No	No
2.	Whether the Company has issued any Convertible Securities?	No	No	No	No
3.	Whether the Company has issued any Warrants?	No	No	No	No
4.	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5.	Whether the Company has any shares in locked-in?*	No	No	No	No
6.	Whether any shares held by promoters are pledge or otherwise encumbered?	No	No	NA	NA
7.	Whether company has equity shares with differential voting rights?	No	No	No	No
8.	Whether the listed entity has any significant beneficial owner?	No	No	No	No

\* All Pre-IPO Equity Shares of our Company will be locked-in prior to listing of shares on Emerge Platform of NSE.

**Table I - Summary Statement holding of Equity Shares**

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VI I)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting (XIV) Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class: Equity shares	Class: Others	Total								
(A)	Promoter & Promoter Group	2	16655025	0	0	16655025	85.57	16655025	0	16655025	85.57	0	85.57	0	0	0	0	16655025
(B)	Public	8	2807446	0	0	2807446	14.43	2807446	0	2807446	14.43	0	14.43	0	0	0	0	2654199
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Grand Total</b>	<b>10</b>	<b>19462491</b>	<b>0</b>	<b>0</b>	<b>19462491</b>	<b>100.00</b>	<b>19462491</b>	<b>0</b>	<b>19462491</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19309244</b>
<b>Note:</b>																		
	<b>C=C1+C2</b>																	
	<b>Grand Total= A+B+C</b>																	

9. The shareholding pattern of our Promoter and Promoters' Group and public before and after the Offer:

Sr. No.	Name of shareholders	Pre-Offer		Post Offer	
		No. of equity shares	As a % of Pre-Offer Capital*	No. of equity shares	As a % of Post Offer Capital
<b>Promoter</b>					
3.	Navin Saraogi	87,52,858	44.97	[•]	[•]
4.	Aansh Rajesh Bindal	79,02,167	40.60	79,02,167	[•]
<b>Total - A</b>		<b>1,66,55,025</b>	<b>85.57</b>	<b>[•]</b>	<b>[•]</b>
<b>Promoter's Group</b>					
2.	NA	NA	NA	NA	NA
<b>Total - B</b>		<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Total Promoter &amp; Promoter Group Shareholding</b>		<b>1,66,55,025</b>	<b>85.57</b>	<b>[•]</b>	<b>[•]</b>
<b>Public</b>					
10.	Patel Dashrathbhai	440	Negligible	440	[•]
11.	Shaileshkumar B Patel	440	Negligible	440	[•]
12.	Vineeta Vishal Chiripal	8,69,198	4.47	0	[•]
13.	Yogesh Manharbhai Raval	440	Negligible	440	[•]
14.	Pushpa P. Bindal	17,77,101	9.13	17,77,101	[•]
15.	Sarthak Bindal	76,626	0.39	76,626	[•]
16.	Sanjana Sanjay Bindal	76,621	0.39	76,621	[•]
17.	Sudhir Kumar Jain	6,600	0.03	6,600	[•]
18.	Public Issue	-	-	[•]	[•]
<b>Total - C</b>		<b>28,07,466</b>	<b>14.43</b>	<b>[•]</b>	<b>[•]</b>
<b>Total (A+B+C)</b>		<b>1,94,62,491</b>	<b>100.00</b>	<b>[•]</b>	<b>[•]</b>

\*Round off

#### 10. Details of Major Shareholders:

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

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of paid up Capital#
1.	Navin Saraogi	87,52,858	44.97
2.	Aansh Rajesh Bindal	79,02,167	40.60
3.	Vineeta Vishal Chiripal	8,69,198	4.47
4.	Pushpa P. Bindal	17,77,101	9.13
<b>Total</b>		<b>1,93,01,324</b>	<b>99.17</b>

\* The Company has offered optionally convertible preference shares the details of which are given in this chapter of the Draft Red Herring Prospectus and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.

# the % has been calculated based on existing (pre-offer) Paid up Capital of the Company.

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

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of paid up Capital#
1.	Navin Saraogi	87,52,858	44.97
2.	Aansh Rajesh Bindal	79,02,167	40.60
3.	Vineeta Vishal Chiripal	8,69,198	4.47
4.	Pushpa P. Bindal	17,77,101	9.13
<b>Total</b>		<b>1,93,01,324</b>	<b>99.17</b>

*\*The Company has offered optionally convertible preference shares the details of which are given in this chapter of the Draft Red Herring Prospectus and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.*

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

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

Sr. No.	Name of shareholders	No. of Equity Shares held*	No of Preference Shares held*	% of Equity paid up Capital#	% of Preference Share capital#
1.	Navin Saraogi	19,89,286	-	44.97	-
2.	Sanjay Premchand Bindal	15,08,012	-	34.09	-
3.	Vineeta Vishal Chiripal	1,97,545	-	4.47	-
4.	Patel Dashrathbhai	3,19,300	-	7.22	-
5.	Shaileshkumar B Patel	93,000	-	2.10	-
6.	Shaileshkumar B Patel	-	2,79,722	-	6.32
<b>Total</b>		<b>41,07,413</b>	<b>3,16,151</b>	<b>92.85</b>	<b>6.32</b>

*\*The Company has offered optionally convertible preference shares the details of which are given in this chapter of the Draft Red Herring Prospectus and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.*

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

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

Sr. No.	Name of shareholders	No. of Equity Shares held*	No of Preference Shares held*	% of paid up Capital#	% of Preference Share capital#
1.	Navin Saraogi	19,89,286	-	44.97	-
2.	Sanjay Premchand Bindal	15,08,012	-	34.09	-
3.	Golden Multitrade FZC	1,97,545	-	4.47	-
4.	Patel Dashrathbhai	3,19,300	-	7.22	-
5.	Shaileshkumar B Patel	93,000	-	2.10	-
6.	Shaileshkumar B Patel	-	2,79,722	-	6.32
<b>Total</b>		<b>41,07,413</b>	<b>3,16,151</b>	<b>92.85</b>	<b>6.32</b>

*\*The Company has offered optionally convertible preference shares the details of which are given in this chapter of the Draft Red Herring Prospectus and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.*

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

**11.** There will be no further offer of capital, whether by way of offer of bonus shares, preferential allotment, and right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or refund of application monies in pursuance of the Draft Red Herring Prospectus.

As on the date of filing the Draft Red Herring Prospectus document, our Company does not have any such plan for altering the capital structure by way of split or consolidation of the denomination of the shares, or offer of specified securities on a preferential basis or issue of bonus or rights or further public offer of specified securities or qualified institutions placement. Further, our Company may alter its capital structure by way of split / consolidation of the denomination of Equity Shares or offer of equity shares on a preferential basis or issue of bonus or rights or further public offer of equity shares or qualified institutions placement, within a period of six months from the date of opening of the present offer to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or for any other purpose, as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

**12. Shareholding of the Promoters and Selling Shareholder of our Company:**

As on the date of the Draft Red Herring Prospectus, our Promoter Mr. Navin Saraogi and Mr. Aansh Rajesh Bindal hold a total 1,66,55,025 Equity Shares respectively representing 85.57% of the pre-offer paid up equity share capital of our Company. The build-up of equity shareholding of Promoters and Selling Shareholder of our Company is as follows:

<b>MR. NAVIN SARAOGI</b>								
<b>Date of Allotment/ Transfer</b>	<b>Nature of Issue Allotment/ Transfer</b>	<b>Number of Equity Shares</b>	<b>Cumulative no. of Equity Shares</b>	<b>Face Value (₹) per Share</b>	<b>Offer/ Transfer Price (₹) per Share</b>	<b>Total Consideration Paid (₹)</b>	<b>% of Pre- Offer Capital</b>	<b>% of Post Offer Capital</b>
On Incorporation	Subscription to Memorandum of Association	5000	5000	10	10	50,000	0.03	[●]
March 30, 2016	Preferential Allotment	7,45,000	7,50,000	10	40	2,98,00,000	3.83	[●]
November 25, 2016	Allotment through Rights Issue	7,50,000	15,00,000	10	40	3,00,00,000	3.85	[●]
May 05, 2017	Conversion of Unsecured Loan into Equity	4,89,286	19,89,286	10	140	6,85,00,040	2.51	[●]
January 16, 2024	Bonus	67,63,572	87,52,858	10	0	0	34.75	[●]
<b>Total</b>		<b>87,52,858</b>				<b>12,83,50,040</b>	<b>44.97</b>	<b>[●]</b>

<b>MR. AANSH RAJESH BINDAL</b>								
<b>Date of Allotment/ Transfer</b>	<b>Nature of Issue Allotment/ Transfer</b>	<b>Number of Equity Shares</b>	<b>Cumulative no. of Equity Shares</b>	<b>Face Value (₹) per Share</b>	<b>Offer/ Transfer Price (₹) per Share</b>	<b>Total Consideration Paid (₹)</b>	<b>% of Pre- Offer Capital</b>	<b>% of Post Offer Capital</b>
December 28, 2023	Transfer	15,08,012	15,08,012	10	Nil	Gift	7.75	[●]
January 16, 2024	Allotment under Bonus Issue	51,27,240	66,35,252	10	Nil	Nil	26.34	[●]
April 18, 2024	Transfer	12,66,915	79,02,167	10	Nil	Gift	6.51	[●]
<b>Total</b>		<b>79,02,167</b>					<b>40.60</b>	<b>[●]</b>

<b>MRS. VINEETA VISHAL CHIRIPAL</b>								
<b>Date of Allotment/ Transfer</b>	<b>Nature of Issue Allotment/ Transfer</b>	<b>Number of Equity Shares</b>	<b>Cumulative no. of Equity Shares</b>	<b>Face Value (₹) per Share</b>	<b>Offer/ Transfer Price (₹) per Share</b>	<b>Total Consideration Paid (₹)</b>	<b>% of Pre- Offer Capital</b>	<b>% of Post Offer Capital</b>
July 01, 2022	Transfer	197,545	197,545	10	From Golden Multitrade FZC	140	2,76,56,300	1.01

January 16, 2024	Allotment under Bonus Issue	671,653	869,198	10	NA	Nil	Nil	4.47
<b>Total</b>		<b>8,69,198</b>					<b>4.47</b>	<b>[•]</b>

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

Sr. No.	Name of Promoter	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹) *#
1.	Mr. Naveen Saraogi	87,52,858	14.66
2.	Mr. Aansh Rajesh Bindal	79,02,167	NIL
3.	Ms. Vineeta Vishal Chiripal	869,198	31.82

\*The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by him to acquire Shares by way of allotment and Transfer as reduced by amount received on sale of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

#Based on Certificate dated April 29, 2024 by JPMK and Co., Chartered Accountants.

14. We have 10 (Ten) shareholders as on the date of filing of the Draft Red Herring Prospectus.

15. As on the date of the Draft Red Herring Prospectus, our Promoters and Promoters' Group hold a total 1,66,55,025 Equity Shares representing 85.57% of the pre-offer paid up share capital of our Company.

16. Except as mentioned below, there were no shares purchased/sold by the Promoters and Promoter Group, directors of our Company and their relatives during the last six months.

Date of allotment / transfer	Name of allottee / transferee	Party category	No. of Equity Shares allotted / transferred	Face Value (₹)	Issue Price (₹)	Nature of transaction
December 28, 2024	Aansh Rajesh Bindal	Promoter	15,08,012	10	Nil	Gift from Sanjay Premchand Bindal
April 18, 2024	Aansh Rajesh Bindal	Promoter	12,66,915	10	Nil	Gift from Pushpa P Bindal

17. The members of the Promoters' Group, our directors and the relatives of our directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Draft Red Herring Prospectus.

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

Our Promoter Mr. Naveen Saraogi has given his written consent to include 48,81,300 Equity Shares subscribed and held by him as a part of Minimum Promoters' Contribution constituting 20.00% of the post offer Paid-up Equity Shares Capital of our Company ("Minimum Promoters' contribution") in terms of Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution, and to be marked Minimum Promoters' Contribution as locked-in.

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

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

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

The Minimum Promoter Contribution has been brought into to the extent of not less than the 20.00% of the Post offer Capital and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2018.

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

The details of Minimum Promoter Contribution are as follows:

MR. NAVIN SARAOGI									
Date of Allotment / Transfer	Date when Fully Paid-up	Nature of offer/ Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Offer/ Transfer Price (in ₹) per share	Source of Contribution*	%of Pre-offer Capital	%of post offer Capital	Date up to which Equity Shares are subject to Lock-in
January 16, 2024	January 16, 2024	Bonus	48,81,300	10	Nil	Nil	25.08	[●]	[●]
<b>Total</b>			<b>48,81,300</b>						

All the Equity Shares held by the Promoter / members of the Promoters' Group are already dematerialized as on date of this Draft Red Herring Prospectus. – **Noted for Compliance.**

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20.00% of the Post Offer Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- The Equity Shares held by the Promoter and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;
- Equity Shares acquired by Promoter during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
- As per Regulation 237 (1) if the Shares are issued to the promoter during the preceding One Year at a price less than the Price at which specified securities are being offer to the public in initial public offer is ineligible for minimum promoters' contribution.
- However as per clause (c) of sub regulation (1) of Regulation 237 of SEBI (ICDR), 2018 specified securities allotted to promoter during the preceding one year at a price less than the offer price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoter of the offeror and there is no change in the management:

Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible; **Not Applicable**

#### 19. Lock in of Equity Shares held by Promoter in excess of Minimum Promoters' contribution:

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance [●] Equity Shares held by [●] and [●] shares held by [●] shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

#### 20. Lock in of Equity Shares held by Persons other than the Promoter:

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-offer capital held by the Persons other than the Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 28,07,466 Equity shares held by the Persons other than Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

#### 21. Inscription or recording of non-transferability:

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

#### 22. Pledge of Locked in Equity Shares:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoter and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

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

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

### **23. Transferability of Locked in Equity Shares:**

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

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

24. Our Company, our Directors and the Book Running Lead Manager to this Offer have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares offered by our Company.
25. As on date of the Draft Red Herring Prospectus, there are no Partly Paid-up Shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be offered fully paid-up equity shares.
26. Neither the Book Running Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Red Herring Prospectus.
27. Prior to this Initial Public Offer, our Company has not made any public offer or right issue to the public at large.
28. There are no safety net arrangements for this public offer.
29. As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
30. As per RBI regulations, OCBs are not allowed to participate in this offer.
31. Our Company has not raised any bridge loan against the proceeds of this Offer. However, depending on business requirements, we may consider raising bridge financing facilities, pending receipt of the Net Proceeds.
32. There are no Equity Shares against which depository receipts have been offered.
33. As on date of the Draft Red Herring Prospectus, other than the Equity Shares, there is no other class of securities Offered by our Company.
34. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
35. An Applicant cannot make an application for more than the number of Equity Shares being offered through this offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
36. Since present issue is a Book Built Issue, the allocation in the net offer to the public category in terms of Regulation 253(1) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:
  - a) not less than thirty-five per cent to Retail Individual Investors;
  - b) not less than fifteen per cent to Non-Institutional Investors;

- c) not more than fifty per cent to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual funds

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

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

37. No incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise shall be offered by any person connected with the distribution of the offer to any person for making an application in the Initial Public Offer, except for fees or commission for services rendered in relation to the offer.
38. Our Promoter and the members of our Promoters' Group will not participate in this Offer.
39. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoters' Group between the date of filing the Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
40. Except as stated below, none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company.

Sr. No.	Name	Designation	No. of Equity Shares held	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
1.	Mr. Navin Saraogi	Managing Director	87,52,858	44.97	[●]
2.	Mr. Aansh Rajesh Bindal	Whole Time Director	79,02,167	40.60	[●]
3.	Mr. Vardhaman Parimalkumar Shah	Chief Financial Officer	-	-	-
4.	Mr. Jagdish Shamjibhai Kanzariya	Company Secretary and Compliance Officer	-	-	-

## SECTION VII – PARTICULARS OF THE OFFER

### OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to 4,944,000 Equity Shares, aggregating up to ₹ [●] Lakhs by our Company and an Offer for Sale of up to 15,24,000 Equity Shares, aggregating up to ₹ [●] Lakhs by the Selling Shareholders.

#### OFFER FOR SALE

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of the Offer related expenses and relevant taxes thereon. For further details, see “*Object of the Offer -Offer Expenses*” on page 71. Our Company will not receive any proceeds from the Offer for Sale. Further, the proceeds received from the Offer for Sale will not form part of the Issue Proceeds. For details of the Selling Shareholders and their respective portions of Offered Shares, see “*Other Regulatory and Statutory Disclosures – Authority for the Offer*” on page 194.

#### FRESH ISSUE

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

1. Funding the working capital requirements of our Company
2. Repayment or prepayment of all or a portion of certain outstanding borrowings availed by our Company
3. General Corporate Purposes

(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 NSE Emerge (“NSE”). 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 and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Fresh Issue. We confirm that the activities which we have been carrying out till date are in accordance with the object’s clause of our Memorandum of Association.

#### REQUIREMENT OF FUNDS

The Net Proceeds, after deducting Offer expenses to the extent applicable to the Fresh Issue, are estimated to be ₹ [●] Lakhs (the “**Net Proceeds**”).

The following table summarizes the requirement of funds:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds	[●]*
Less: Estimated Offer expenses to the extent applicable to the Fresh Issue	[●]
<b>Net Proceeds</b>	[●]*

\*To be finalized upon determination of the Offer Price and updated in the Prospectus at the time of filing with the RoC.

#### UTILIZATION OF NET PROCEEDS

The Net Proceeds will be utilized for following purpose:

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Proceeds
1.	Funding the working capital requirements	2,510.00	[●]
2.	Repayment or prepayment of all or a portion of certain outstanding borrowings	896.50	[●]
3.	General Corporate Purposes <sup>^</sup>	[●]	[●]
<b>Net Proceeds</b>		[●]	[●]

<sup>^</sup>To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the ROC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

## SCHEDULE OF IMPLEMENTATION, UTILISATION AND DEPLOYMENT OF NET PROCEEDS

We propose to utilize and deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in Lakhs)						
Sr. No.	Particulars	Total Estimated Cost (A)	Amount to be funded from Internal Accruals / Borrowing (B)	Amount to be funded from the Net Proceeds (C)=(A-B)	Estimated Utilization of Net Proceeds (Up to FY 2024-25)*	Estimated Utilization of Net Proceeds (Up to FY 2025-26)*
1.	Funding the working capital requirements	13,394.52	10,884.52	2,510.00	1,360.00	2,510.00
2.	Repayment or prepayment of all or a portion of certain outstanding borrowings	896.50	0.00	896.50	896.50	896.50
3.	General Corporate Purposes	[●]	[●]	[●]	[●]	[●]
<b>Total</b>		[●]	[●]	[●]	[●]	[●]

*\*To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Object. Due to general business exigencies, the use of Net proceeds may be interchangeable. However, the use of Net proceeds for General Corporate Purposes shall not exceed 25% at any point of time.*

We intend to deploy the Net Proceeds towards the Objects as disclosed in the table above, in accordance with the business needs of our Company. However, the actual deployment of funds shall be based on our current business plan, internal management estimates, prevailing market conditions and other commercial and technical factors, including interest rates and other charges, and the financing and other agreements entered into by our Company, and have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, change in cost, financial and market conditions, our management's analysis of economic trends and business requirements, competitive landscape, ability to identify and consummate proposed investments as well as general factors affecting our results of operations, financial condition, access to capital, business and strategy and interest/exchange rate fluctuations or other external factors, which may not be within the control of our management. If the Net Proceeds are not utilized (in full or in part) for the Objects during the respective periods stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the deployment of funds at the discretion of our management, subject to compliance with applicable laws.

In case of any surplus amount after utilization of the Net Proceeds towards any of the aforementioned Objects, we may use such surplus amount towards: (i) other Objects, as set out in “- **Net Proceeds**” on page 71; and/ or (ii) general corporate purposes, provided that: (a) the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds in accordance with applicable law, (b) the cumulative amount to be utilized for general corporate purposes and funding inorganic growth through unidentified acquisitions and other strategic initiatives' shall not exceed 35% of the Gross Proceeds, and (c) the amount to be utilized for funding inorganic growth through unidentified acquisitions and other strategic initiatives shall not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the aforementioned Objects, we may explore a range of options including utilizing our internal accruals.

### DETAILS OF THE OBJECTS

#### 1. FUNDING THE WORKING CAPITAL REQUIREMENTS:

Our business is working capital intensive and we fund our working capital requirements in the ordinary course of business from our internal accruals and financing facilities from various banks, financial institutions and unsecured lenders. Our Company requires additional working capital for funding future growth requirements of our Company and for other corporate purposes.

Net Working Capital requirement of our Company as on December 31, 2023 on restated basis was ₹ 8,537.30 Lakhs as against that of ₹ 9,630.43 Lakhs, ₹ 10,783.87 Lakhs and ₹ 7,656.66 Lakhs as on March 31, 2023, March 31, 2022 and March 31, 2021 respectively. The Net Working capital requirements for the FY 2023-24 is estimated to be ₹ 9,657.39 Lakhs, ₹ 11,332.22 Lakhs for FY 2024-25 and ₹ 13,394.52 lakhs in FY 2025-26. The Company will meet the requirement to the extent of ₹ 2,510.00 Lakhs from the Net Proceeds and balance from borrowings and internal accruals at an appropriate time as per the requirement.

#### Reasons for raising additional working capital.

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. We have set up a Greenfield project of manufacturing value added and specialty cotton yarn at Unit No.13, Sub Plot No. 18, Survey No. 279 & 280, Village Dholi, Taluka Dholka, District Ahmedabad, Gujarat – 382240, with a total spinning capacity of 29,376 spindles. The installed unit is capable of producing cotton yarn including value added yarns. Our current capacity of production is 90,11,850 Kgs for Cotton Yarn and 13,579,500 Kgs for Value added yarn.

We are manufacturing various value added cotton yarns like Compact Carded Hosiery, Compact Combed Hosiery, Compact Carded Weaving, Compact Comb Weaving, Carded Weaving, Combed Weaving, Carded Hosiery, Combed Hosiery, Eli KW, Eli CW, Slub Yarn, Siro Slub Yarn, CSY-Lycra-Core Spin Yarn (Spandex), TFO Yarn - Double etc.

We also source high-quality, ready-made yarn from trusted suppliers, in our conditioning facility, we meticulously adjust the yarn's moisture content, ensuring optimal workability, vibrant colors, and flawless stitching. This revitalized yarn is then offered at competitive prices to discerning crafters, budget-conscious businesses, and eco-conscious consumers who value both quality and sustainability. By extending the lifespan of existing yarn, we empower creativity while minimizing our environmental footprint, one perfectly conditioned skein at a time.

Company proposes to increase the production of value added cotton yarns where Finished goods conversion cycle is small, which will lead to increase in our Revenue from Operation and simultaneously, reducing Company's Inventory held as work in progress and finished goods. Company owns a Conditioning Machine which can be used multiple times in a day thereby reducing the Inventory holding period. Also, Company is estimating to optimally utilize the current Installed Capacity. Installed Capacity of Value Addition Yarn stands at 13,579,500 kgs with Capacity utilization of 68.91% for the period ended December 31, 2023.

Further, Company has estimated Trade Receivable holding Days at 45 days being credit period offered by the Company to all its customers and Trade Payable holding days in the range of 11-12 days considering current holding days i.e. 11 days for the period ended December 31, 2023. Accordingly, while the net working capital has increased in absolute terms corresponding to the increase in the revenue from operations of our Company, the working capital as days such as inventory (Raw Material) days, trade receivable days, Loans and Advances, other current assets and trade payable in days is line with the historical trends except inventory (Finished Goods, work-in-progress, Stock-in-trade, and Other Components) days.

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

(₹ in lakhs)

Particulars	(Projected)		(Estimated)	(Restated Basis)			
	31-Mar-26	31-Mar-25	31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Inventories</b>							
Raw Material	1,341.57	1,172.64	871.38	764.04	66.58	1,561.34	1,232.33
Finished Goods, WIP, Purchase of SIT and Other Components	2,518.88	2,487.22	2,439.81	2,074.98	2,148.57	1,326.54	641.71
Trade receivables	9,662.77	8,156.77	6,899.00	5,246.56	4,806.40	4,352.07	3,111.81
Cash and cash equivalents	52.21	43.88	34.85	146.71	1,473.05	1,992.42	983.89
Loans and Advances	2,858.94	2,194.41	1,875.07	2,108.86	2,139.82	2,236.67	2,203.52
Other Assets	129.27	110.23	46.75	17.12	52.90	38.66	65.04
<b>Total Current Assets</b>	<b>16,563.65</b>	<b>14,165.15</b>	<b>12,166.85</b>	<b>10,358.27</b>	<b>10,687.33</b>	<b>11,507.71</b>	<b>8,238.30</b>
Trade payables	2,289.43	2,018.66	1,766.00	1,331.41	840.58	374.90	208.56

Particulars	(Projected)		(Estimated)	(Restated Basis)			
	31-Mar-26	31-Mar-25	31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Other Liabilities	260.66	226.66	197.09	147.82	57.68	156.88	313.05
Short-term provisions	619.05	587.62	546.36	341.73	158.63	192.05	60.04
<b>Total Current Liabilities</b>	<b>3,169.13</b>	<b>2,832.93</b>	<b>2,509.46</b>	<b>1,820.97</b>	<b>1,056.90</b>	<b>723.83</b>	<b>581.65</b>
<b>Net Working Capital</b>	<b>13,394.52</b>	<b>11,332.22</b>	<b>9,657.39</b>	<b>8,537.30</b>	<b>9,630.43</b>	<b>10,783.87</b>	<b>7,656.66</b>
<b>Sources of Funds</b>							
Internal Accruals / Borrowing <sup>[1]</sup>	10,884.52	9,972.22	9,657.39	8,537.30	9,630.43	10,783.87	7,656.66
Proceeds from IPO*	2,510.00	1,360.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>13,394.52</b>	<b>11,332.22</b>	<b>9,657.39</b>	<b>8,537.30</b>	<b>9,630.43</b>	<b>10,783.87</b>	<b>7,656.66</b>

<sup>[1]</sup>As on December 31, 2023, Company has outstanding amount of ₹ 2293.86 lakhs as GECL loan and Cash Credit limit of ₹ 3098.96 lakhs from various Bank.

\*The estimates of incremental working capital requirements for the year ended March 31, 2024, March 31, 2025 and Fiscal 2026

(₹ in lakhs)

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Incremental Working Capital	2,062.29	1,674.83	1,120.09
<b>Funding Pattern</b>			
From Internal Accruals / Borrowing	912.29	314.83	1,120.09
From IPO Proceeds	1,150.00	1,360.00	0.00

Assumptions for working capital requirements:

Particulars	Holding level (in Months/Days)						
	(Projected)		(Estimated)	(Restated Basis)			
	31-Mar-26	31-Mar-25	31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Trade Receivables (A)</b>							
Number of months of Trade Receivables	1.51	1.46	1.42	1.32	2.89	1.30	2.72
Number of Days of Trade Receivables	45.00	44.00	43.00	40.00	87.00	39.00	82.00
<b>Inventory (B)</b>							
Number of months for Raw Material	0.23	0.23	0.20	0.22	0.05	0.57	1.62
Number of Days for Raw Material	7.00	7.00	6.00	7.00	2.00	17.00	49.00
Number of months for FG, WIP, SIT, and Other Components	0.44	0.50	0.56	0.59	1.65	0.48	0.84
Number of Days for FG, WIP, SIT, and Other Components	13.00	15.00	17.00	18.00	50.00	15.00	25.00

Particulars	Holding level (in Months/Days)						
	(Projected)		(Estimated)	(Restated Basis)			
	31-Mar-26	31-Mar-25	31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Current Liabilities (C)</b>							
Number of months of Trade Payable	0.41	0.40	0.40	0.38	0.68	0.13	0.27
Number of days of Trade Payable	12.00	12.00	12.00	11.00	20.00	4.00	8.00

As certified by JPMK and Co., Chartered Accountants, pursuant to their certificate dated April 29, 2024.

**Note:**

- Holding period level (in months/days) of Trade Receivables is calculated by dividing closing trade receivables by revenue from operations multiplied by number of months/days in the year/period.
- Holding period level (in months/days) of Raw Material is calculated by dividing closing Raw material by Purchase of Raw Material multiplied by number of months/days in the year/period.
- Holding period level (in months/days) of Finished Goods, work-in-progress, Stock-in-trade, and Other Components is calculated by dividing closing Finished Goods, work-in-progress, Stock-in-trade, and Other Components by Cost of Material Consumed, Purchase of Stock in Trade and Change in Inventory multiplied by number of months/days in the year/period.
- Holding period level (in months/days) of Trade Payables is calculated by dividing Closing trade payables by Purchase of Raw Material multiplied by number of months/days in the year/period.

Our Company's estimated working capital requirements on a restated basis are based on the following key assumptions:

Sr. No.	Particulars	Details
<b>Current Assets</b>		
1.	Trade receivables	<p>Trade receivables are amount owed to Company by customers following sale of goods i.e. Sale of Yarn, Conditioned Yarn, and Other Operating Income on credit.</p> <p>Holding levels of trade receivable for the Company varied between 39-40 days for the Financial Years ended March 31, 2022, and nine months ended December 31, 2023 with an unusual year for Financial Year ended March 31, 2023 and March 31, 2021 due to slowdown in the Cotton Yarn Industry.</p> <p>Looking ahead, we anticipate Trade Receivable days in line with our current credit period provided to our customers i.e. 43-45 days. Company estimates Trade Receivables Holding period of 43 days in FY 2023-24 and gradually increasing to 44 days in FY 2024-25, to 45 days in FY 2025-26. Increase in Trade Receivable days is mainly due to increase in estimated volume of sales.</p>
2.	Raw Material	<p>Raw Material of our company consists of Cotton (for manufacturing of Cotton) and Cotton Yarn (for conditioning of Cotton Yarn).</p> <p>The holding levels of Raw Material was 49 days in FY 2020-21, 17 days in FY 2021-22, 2 days in FY 2022-23 and 7 days in nine months ended December 31, 2023. Raw Material levels generally tend to vary depending on the factors such as market condition, availability of Raw material, etc. With time, Availability of Raw material (i.e. Cotton) has improved which reduced the Raw Material days i.e. from 49 days in FY 2020-21 to 7 days in nine months ended December 31, 2023.</p> <p>Due to improved availability of Raw Material, Company estimates Raw material Holding period of 6-7 days in FY 2023-24, FY 2024-25 and FY 2025-26 (in line with existing holding period for the period ended December 31, 2023).</p>
3.	Finished Goods, WIP, Purchase of	<p>Finished Goods, WIP, Purchase of Stock-in-Trade and Other Components of our company consists of Cotton Yarn, Value Added Yarn, and Packing Material &amp; Stores &amp; Spares material.</p>

Sr. No.	Particulars	Details
	SIT and Other Components	<p>The holding levels of Finished Goods, WIP, Purchase of Stock-in-Trade and Other Components was 25 days in FY 2020-21, 15 days in FY 2021-22, 50 days in FY 2022-23 and 18 days in nine months ended December 31, 2023. Finished Goods, WIP, Purchase of Stock-in-Trade and Other Components levels generally tend to vary depending on the factors such as market condition, Nature of Finished Good, order book status, delivery schedules, etc. In FY 2021-22 and period ended December 31, 2023, Company has production of Value added yarn, where cycle is less compared to Cotton yarn production. Therefore, days in FY 2021-22 and period ended December 31, 2023 i.e. 15 days and 18 days respectively were less compared to 25 days in FY 2020-21 and 50 days in FY 2022-23.</p> <p>Going forward, Company estimates increase in production of Value added yarn due to which Holding period will be at 17 days in FY 2023-24 (in line with existing holding period for the period ended December 31, 2023), and gradually decreasing with increase in proportion of Value added yarn i.e. 15 days in FY 2024-25 and 13 days in FY 2025-26.</p>
<b>Current Liabilities</b>		
3.	Trade Payables	<p>Trade payables are amount to be paid to suppliers by company following purchase of Raw material i.e. Cotton and Yarn on credit.</p> <p>Our Company's trade payables have varied between 8-20 days for the periods Financial Year ended March 31, 2021, March 31, 2022, March 31, 2023 and nine months ended December 31, 2023. Our Company expects the trade payables days to stabilize at 12 days, going forward.</p>

Apart from above there are other working capital requirements such as Cash and cash equivalents, Other Assets, Loans and advances, short term provisions and other Liabilities. Details of which are given below.

<b>Cash and Cash Equivalents</b>	Cash and cash equivalents include cash in hand and balance in current account excluding Fixed Deposits held under lien. Cash and Cash Equivalent balance is estimated based on amount required for day-to-day Business operation and for expected Business requirement of company.
<b>Loans and Advances</b>	The key items under this head are advances to suppliers, balances with government authorities, MAT Credit Entitlement, prepaid expenses, and Loan to Employees. Loans and advances is estimated based on previous year's outstanding amount and for expected Business requirement of company.
<b>Other Assets</b>	Other Assets mainly includes accrued interest, security deposit, and retention money held with customers. Other Assets is estimated based on previous year's outstanding amount and for expected Business requirement of company.
<b>Other liabilities</b>	The key items under this head are Creditors For Expenses & Others, Statutory Payables, and Advances Received From Customer. Other current liabilities are estimated based on previous year outstanding amount and for expected Business requirement of company.
<b>Short-term provisions</b>	Short-term provisions mainly include provision for gratuity, tax and expenses. Short-term provisions are estimated based on previous year outstanding amount and for expected Business requirement of company.

As certified by JPMK and Co., Chartered Accountants, pursuant to their certificate dated April 29, 2024.

## 2. REPAYMENT OR PREPAYMENT OF ALL OR A PORTION OF CERTAIN OUTSTANDING BORROWINGS

Our Company has entered into various financing arrangements with banks and other lenders, which include term loans and working capital facilities, including fund based and non-fund based borrowings. For details of our Company's outstanding financial indebtedness, please see "**Business Overview - Financial Indebtedness**" on page 109.

As at December 31, 2023, our Company had sanctioned facilities aggregating ₹ 10,504.00 Lakhs, including non-fund based limit aggregating ₹ 400 Lakhs. Our Company proposes to utilise an estimated amount of ₹ 896.50 lakhs from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowing availed by our Company. Given the nature of these borrowings and the terms of repayment or pre-payment, the aggregate outstanding amounts under these borrowings

may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings or avail of additional credit facilities. If at the time of the Prospectus, any of the below-mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down or if the limits under the working capital borrowings are increased, then our Company may utilise the Net Proceeds for part or full pre-payment / repayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company and details of such borrowings will be included in the Prospectus. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or pre-payment of certain of our borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹ 896.50 Lakhs. We believe that such repayment/ pre-payment will help reduce our Company's outstanding indebtedness and debt servicing costs and enable utilisation of our Company's internal accruals for further investment in our Company's business growth and expansion. Additionally, our Company believes that the leverage capacity of our Company will improve its ability to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business.

The selection of borrowings proposed to be repaid/ prepaid out of the borrowings provided below, shall be based on various factors including (i) cost of the borrowings to our Company, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our Company's ability to prepay the borrowings and time taken to fulfil such requirements, (iii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, prior to completion of the Offer; (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any law, rules, regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

The following table provides details of certain of the borrowings availed by our Company, which are currently proposed to be fully or partially repaid (earlier or scheduled) or pre-paid from the Net Proceeds:

*(Remainder of the page has been intentionally left blank.)*

Sr. No.	Name of the Lender	Nature of Loan	Purpose	Amount sanctioned	Rate of Interest / Commission*	Tenor and repayment schedule	Prepayment terms / penalty	Amount outstanding as at	
								31-Dec-2023	April 26, 2024
1.	Punjab National Bank	Term Loan-II	Purchase of new Plant and Machinery	₹ 2161.00 Lakhs	9.65%	Payable in 11 Quarters (The total of 1 Equal Quarterly Installments of ₹ 94.25 lakhs from Jan 2024 to Mach 2024, Total of 4 Equal Quarterly installments of ₹ 101.50 lakhs from June 2024 to March 2025, total of 3 Equal Quarterly installments of ₹ 108.67 lakhs from June 2025 to December 2025, total of 1 Quarterly installments of ₹ 107 lakhs on march 2026 and total of 1 Quarterly installments of ₹ 155.56 lakhs from June 2026 and Balance in September 2026.)	NIL	₹ 1092.04 Lakhs	₹ 997.79 Lakhs
<b>Total</b>								<b>₹ 1092.04 Lakhs</b>	<b>₹ 997.79 Lakhs</b>

\*The rate of interest mentioned above, is the current rate of interest and is subject to changes as per the sanction letters/loan agreements issued by the respective lenders.

*In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purpose availed, our Statutory Auditors have confirmed that the loans have been utilised for the purpose for which it was availed pursuant to their certificate dated April 27, 2024.*

Further, we may be subject to the levy of pre-payment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing arrangements, the amount of such prepayment penalties shall be paid by our Company out of our internal accruals. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn down prior to the completion of the Offer, we may utilise Net Proceeds towards prepayment, repayment or redemption (earlier or scheduled) of such additional indebtedness availed by us.

### 3. 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 ₹ [●] Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- funding growth opportunities;
- servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;
- capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;
- working capital;
- meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or
- strategic initiatives and
- On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner. We confirm that any Offer 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 Prospectus, shall not exceed 25% of the amount raised by our Company through this Offer.

### 4. OFFER RELATED EXPENSES

The total expenses of the Offer are estimated to be approximately ₹ [●] Lakhs. The expenses of this Offer include, among others, listing fees, underwriting commission (if any), selling commission and brokerage, fees payable to the BRLM, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by each of the Selling Shareholders in the Offer for Sale, respectively, and in accordance with applicable law including Section 28(3) of the Companies Act 2013. Any such Offer expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, by the Selling Shareholders jointly and severally, to the extent of its respective proportion of Offer related expenses upon the successful completion of the Offer. Further, the expenses related to the portion of the Offer for Sale shall be deducted from the Offer proceeds and only the balance amount shall be paid to the Selling Shareholders in the proportion to the Offered Shares sold by the respective Selling Shareholders.

The estimated Offer expenses are set forth in the table below.

(₹ in lakhs)

Expenses	Expenses (₹ in Lakh)	Expenses (% of Total Offer expenses)	Expenses (% of Total Offer Size)
Book Running Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Offer	[●]	[●]	[●]
Fees Payable to Legal Advisors	[●]	[●]	[●]
Fees Payable Advertising, Marketing Expenses and Printing Expenses	[●]	[●]	[●]

Expenses	Expenses (₹ in Lakh)	Expenses (% of Total Offer expenses)	Expenses (% of Total Offer Size)
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for Three Years)	[●]	[●]	[●]
Others (Fees payable for marketing & distributing expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses.)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Offer Expenses</b>	<b>[●]</b>	<b>100.00</b>	<b>[●]</b>

\*Offer expenses excludes applicable taxes, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change

**Notes:**

- Up to April 26, 2024, Our Company has deployed/incurred expense of ₹ 10.54 Lakhs towards Offer Expenses and custodian connectivity charges out of internal accruals duly certified by Statutory Auditor, M/s. Vijay Moondra & Co., Chartered Accountants vide its certificate dated April 27, 2024.
- 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.
- Issuer banks for UPI Mechanism as registered with SEBI 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 them.
- Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹ [●]/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ [●]/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.

**MEANS OF FINANCE**

The entire requirements of the objects detailed above are intended to be funded from the Net Proceeds and internal accruals. Accordingly, we confirm that there is no need for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue under Regulation 7(1)(e) of the SEBI ICDR Regulations and Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations. Subject to applicable laws, in case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lender.

#### **APPRAISAL REPORT**

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

#### **BRIDGE FINANCING**

We have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Offer. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds.

#### **INTERIM USE OF FUNDS**

The Net Proceeds shall be retained in the Public Issue Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilization of the Net Proceeds for the Objects described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the Net Proceeds as described above, it shall not use the funds from the Net Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

#### **MONITORING UTILIZATION OF FUNDS**

There is no requirement for the appointment of a monitoring agency, as the Offer size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the Net Proceeds and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Hearing Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the Net Proceeds have been utilized in full.

#### **VARIATION IN OBJECTS**

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

#### **OTHER CONFIRMATIONS**

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders, no part of the proceeds of the Offer will be paid by our Company to our Directors, Key Managerial Personnel, members of the Senior Management or Group Company.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with any of our Directors, Key Managerial Personnel, members of the Senior Management or Group Company in relation to the utilisation of the Net Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the objects of the Offer except as set out above.

The Net Proceeds shall not be used for lending, or for financing transactions with any related parties of our Company. The Net Proceeds shall be maintained by our Company in a separate account to be monitored by the Monitoring Agency, until utilization in accordance with the SEBI ICDR Regulations.

## BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the following quantitative and qualitative factors as described below. The financial data presented in this section are based on our Company's Restated Financial Statements. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the sections/chapters titled "Risk Factors", "Business Overview" and "Restated Financial Information" on page no. 24, 109 and 163 respectively, of this Draft Red Herring Prospectus to have an informed view before making an investment decision.

### QUALITATIVE FACTORS

- Experienced Promoter and Management Team
- Quality Standards
- Strong and diversified supplier base for sourcing raw materials
- Optimal Utilization of Resources
- Long-standing relationships with our customers

For details of qualitative factors, please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page no. 109 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

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

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$$

#### Weighted Average

Financial Year/Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weights
Financial Year ended March 31, 2023	3.14	3.09	3
Financial Year ended March 31, 2022	4.00	3.93	2
Financial Year ended March 31, 2021	1.19	1.17	1
<b>Weighted Average</b>	<b>3.10</b>	<b>3.05</b>	
Period ended on December 31, 2023*	4.18	4.12	

\* Not Annualized.

#### Notes:

1. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. sum of (EPS x Weight) for each year/ Total of weights.*
2. *Basic and diluted EPS are based on the Restated Financial Information.*
3. *The number of shares are adjusted by Increase in share Capital through issue of Bonus shares on January 16, 2024 in the ratio of 340:100 i.e., 340 (Three Hundred and Forty) Equity Shares for every 100 (One Hundred) Equity Share held.*

#### Simple Average

Financial Year/Period	Basic EPS (in ₹)	Diluted EPS (in ₹)
Financial Year ended March 31, 2023	3.14	3.09
Financial Year ended March 31, 2022	4.00	3.93
Financial Year ended March 31, 2021	1.19	1.17
<b>Simple Average</b>	<b>2.78</b>	<b>2.73</b>
Period ended on December 31, 2023*	4.18	4.12

\* Not Annualized.

Notes:

- Simple average = Aggregate of year-wise EPS divided by the aggregate of EPS for each year/ Total of weights.
  - Basic and diluted EPS are based on the Restated Financial Information.
  - The number of shares are adjusted by Increase in share Capital through issue of Bonus shares on January 16, 2024 in the ratio of 340:100 i.e., 340 (Three Hundred and Forty) Equity Shares for every 100 (One Hundred) Equity Share held.
- 2. Price to Earnings (P/E) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

$$\text{Price to Earnings Ratio(P/E)} = \frac{\text{Floor Price / Cap Price}}{\text{Restated Earnings Per Share}}$$

Particulars	EPS (in ₹)	P/E at the Floor Price (No. of times)**	P/E at the Cap Price (No. of times)**
Based on Basic EPS as per the Restated Financial Information for the Financial Year ended March 31, 2023	3.14	[●]	[●]
Based on Diluted EPS as per the Restated Financial Information for the Financial Year ended March 31, 2023	3.09	[●]	[●]

\*\* The details shall be provided post the fixing of price band by our Company at the stage of Red Herring Prospectus or the filing of price band advertisement.

**Industry PE:**

Industry Average	P/E Ratio
Highest	37.96
Lowest	8.94
Average	25.39

(Based on Peer Data presented in point 5 below)

**3. Return on Net Worth:**

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Closing Net Worth}} * 100$$

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2023	11.10%	3
Financial Year ended March 31, 2022	15.90%	2
Financial Year ended March 31, 2021	5.64%	1
<b>Weighted Average</b>	<b>11.79%</b>	
Period ended on December 31, 2023*	12.89%	

\* Not Annualized.

Note: Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

#### 4. Net Asset Value per Equity Share:

Restated Net Asset Value per equity share (₹)	= $\frac{\text{Restated Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$
<b>Particular</b>	<b>Amount (in ₹)</b>
Financial Year ended March 31, 2023	28.30
Financial Year ended March 31, 2022	25.15
Financial Year ended March 31, 2021	21.16
Period ended on December 31, 2023	31.96
<b>After the Issue</b>	
- At Floor Price	[•]
- At Cap Price	[•]
- At Offer Price*	[•]

\* To be determined after the book building process.

Notes:

- The number of shares are adjusted by Increase in share Capital through issue of Bonus shares on January 16, 2024 in the ratio of 340:100 i.e., 340 (Three Hundred and Forty) Equity Shares for every 100 (One Hundred) Equity Share held.
- Offer Price per equity share has been determined by our Company, in consultation with the Book Running Book Running Lead Manager.

#### 5. Comparison of Accounting Ratios with Peer Group Companies:

Name of the company	Standalone / Consolidated	Face Value (₹)	Current Market Price (₹)	Diluted EPS (₹)	P/E Ratio	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in Lakhs)
Siddhi Cotspin Limited	Standalone	10.00	[•]	3.14	[•]	11.10%	28.30	19,932.60
<b>Peer Group</b>								
Lagnam Spintex Limited	Standalone	10.00	49.40	5.53	8.94	10.35%	53.36	30,465.93
Pashupati Cotspin Limited	Standalone	10.00	102.10	2.69	37.96	3.69%	72.88	44,273.28
United Polyfab Gujarat Limited	Standalone	10.00	74.95	2.56	29.28	8.60%	30.40	65,260.32

**Source:** All the financial information for listed industry peer mentioned above is on a standalone basis sourced from the Annual Reports/Information of the peer company uploaded on the NSE and BSE website for the year ended March 31, 2023.

Notes:

- P/E Ratio has been computed based on the closing market price of equity shares on the BSE and NSE on March 31, 2023 divided by the Diluted EPS.
- RoNW is computed as net profit after tax divided by the closing net worth. Net worth has been computed as sum of share capital and reserves and surplus.
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares adjusted for bonus and sub-division of shares.

4. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Offer price is [●] times the face value of equity share.
5. The Price Band and Offer Price of ₹ [●]/- will be determined by our Company in consultation with the Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares by the Book Building Process and on the basis of the above mentioned quantitative and qualitative ratios. For further details, please refer to the section titled “Risk Factors” and chapters titled “Business Overview” and “Restated Financial Information” beginning on page nos. 24, 109 and 163 respectively of this Draft Red Herring Prospectus.

#### KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated Financial information. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated April 27, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. JPMK and Company, Chartered Accountants by their certificate dated April 27, 2024 having UDIN: 24114424BKAPSH9178.

The KPIs of our Company have been disclosed in the sections “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” starting on pages 109 and 165, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning on page 1.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Offer Price.

#### FINANCIAL KPIs OF OUR COMPANY

Particulars	For the Year/period ended on			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations (₹ in Lakhs)	35,739.99	19,932.60	40,238.93	13,744.67
Growth in Revenue from Operations (YoY %)	-	-50.46%	192.76%	-
Gross Profit (₹ in Lakhs)	4,274.90	4,324.34	7,411.55	4,624.28
Gross Profit Margin (%)	11.96%	21.69%	18.42%	33.64%
EBITDA (₹ in Lakhs)	2,483.28	2,510.30	3,290.45	2,327.48
EBITDA Margin (%)	6.95%	12.59%	8.18%	16.93%
Profit After Tax (₹ in Lakhs)	801.98	601.56	765.74	228.28
PAT Margin (%)	2.24%	3.02%	1.90%	1.66%
RoE (%)	13.78%	11.76%	17.27%	5.82%
RoCE (%)	10.65%	8.46%	8.45%	5.37%
Net Fixed Asset Turnover (In Times)	4.91	2.51	4.44	1.32
Operating Cash Flows (₹ in Lakhs)	1,824.75	2,950.53	1,180.52	1,056.43

*Source: The Figure has been certified by our Peer Review Auditors, M/s. JPMK and Company, Chartered Accountants vide their certificate dated April 27, 2024*

**Notes:**

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- 3) Gross Profit is calculated as Revenue from Operations less Cost of Material Consumed, Purchase of Stock in Trade and Changes in inventories.
- 4) Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- 5) EBITDA is calculated as Profit Before Extraordinary Items and Tax, plus tax expenses (consisting of current tax and deferred tax), finance costs and depreciation and amortization expenses reduced by other income.
- 6) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- 7) Profit After Tax Means Profit for the period/year as appearing in the Restated Financial Statements.
- 8) PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
- 9) RoE (Return on Equity) (%) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.
- 10) RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes (Profit before extraordinary items and tax plus Interest Expense/finance costs) divided by average capital employed. Capital Employed includes Tangible Net Worth, Long-Term Borrowing & Short-Term Borrowing and Deferred Tax Liability.
- 11) Net Fixed Asset Turnover is calculated as Net Turnover divided by Average Fixed Assets which consists of Tangible assets.
- 12) Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Statements.

**OPERATIONAL KPIs OF OUR COMPANY**

Particulars	For the Year/period ended on			
	31-Dec-23	31-Mar-23	31- Mar-23	31-Mar-23
<b>Cotton Yarn</b>				
Installed Capacity (In Kgs)	9,011,850	9,011,850	9,011,850	9,011,850
Actual Production (In Kgs)	6,318,541	7,099,541	8,284,153	6,461,079
Capacity Utilization (In %)	70.11%*	78.78%	91.93%	71.70%
<b>Value Addition Yarn</b>				
Installed Capacity (In Kgs)	13,579,500	9,011,850	9,011,850	0
Actual Capacity Utilization (In Kgs)	9,357,665	0	5,798,782	0
Capacity Utilization (In %)	68.91%*	0.00%	64.35%	0.00%
<b>Contribution to revenue from operations of top 1 / 3 / 5 / 10 customers</b>				
Top 1 Customers (%)	27.96%	18.80%	34.85%	25.95%
Top 3 Customers (%)	62.82%	42.73%	56.69%	42.80%
Top 5 Customers (%)	75.79%	57.82%	68.01%	50.26%
Top 10 Customers (%)	88.19%	82.68%	78.77%	61.99%

\* Not Annualized

Source: The Figure has been certified by our Peer Review Auditors, M/s. JPMK and Company, Chartered Accountants vide their certificate dated April 27, 2024

Explanation for KPI metrics

<b>KPI</b>	<b>Explanations</b>
Revenue from Operations (₹ in Lakhs)	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business.
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for the respective period.
Gross Profit (₹ in Lakhs)	Gross Profit provides information regarding the profits from manufacturing and processing of products by the Company.
Gross Profit Margin (%)	Gross Profit Margin is an indicator of the profitability on sale of products manufactured and sold by the Company.
EBITDA (₹ in Lakhs)	EBITDA provides a comprehensive view of our financial health. It facilitates evaluation of the year-on-year performance of our business and excludes other income
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the profitability of our business and assists in tracking the margin profile of our business and our historical performance, and provides financial benchmarking against peers.
Profit After Tax (₹ in Lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability of our business and provides financial benchmarking against peers as well as to compare against the historical performance of our business.
RoE (%)	RoE provides how efficiently the Company generates profits from shareholders' funds
RoCE (%)	ROCE provides how efficiently the Company generates earnings from the capital employed in the business.
Net Fixed Asset Turnover (In Times)	Net Fixed Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue from operations.
Operating Cash Flows (₹ in Lakhs)	Operating cash flows provides how efficiently our company generates cash through its core business activities
Capacity Utilization	This metric enables us to link Actual Production with Installed Production Capacity.
Contribution to revenue from operations of top 1 / 3 / 5 /10	This metric enables us to track the contribution of our key customers to our revenue and also assess any concentration risks.

**COMPARISON OF FINANCIAL KPIs OF OUR COMPANY AND OUR LISTED PEERS:**

Particulars	Siddhi Cotspin Limited			Lagnam Spintex Limited			Pashupati Cotspin Limited			United Polyfab Gujarat Limited		
	For the Period/Year ended on			For the Period/Year ended on			For the Period/Year ended on			For the Period/Year ended on		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations (₹ in Lakhs)	19,932.60	40,238.93	13,744.67	30,465.93	34,844.14	20,522.76	44,273.28	66,138.19	44,098.11	65,260.32	66,107.18	21,009.17
Growth in Revenue from Operations (%)	(50.46%)	192.76%	-	(12.57%)	69.78%	-	(33.06%)	49.98%	-	(1.28%)	214.66%	-
Gross Profit (₹ in Lakhs)	4,324.34	7,411.55	4,624.28	8,264.00	11,660.29	6,571.05	6,239.05	10,298.84	7,718.97	5,805.20	7,261.19	4,948.31
Gross Profit Margin (%)	21.69%	18.42%	33.64%	27.13%	33.46%	32.02%	14.09%	15.57%	17.50%	8.90%	10.98%	23.55%
EBITDA (₹ in Lakhs)	2,510.30	3,290.45	2,327.48	3,080.38	5,843.08	2,601.59	1,709.08	3,882.54	3,269.54	2,860.70	3,261.02	2,377.52
EBITDA Margin (%)	12.59%	8.18%	16.93%	10.11%	16.77%	12.68%	3.86%	5.87%	7.41%	4.38%	4.93%	11.32%
Profit After Tax (₹ in Lakhs)	601.56	765.74	228.28	976.28	2,879.85	447.42	410.77	1,112.55	530.45	547.79	940.44	44.52
PAT Margin (%)	3.02%	1.90%	1.66%	3.20%	8.26%	2.18%	0.93%	1.68%	1.20%	0.84%	1.42%	0.21%
RoE (%)	11.76%	17.27%	5.82%	10.87%	40.10%	7.95%	3.74%	10.75%	5.80%	9.22%	18.69%	0.97%
RoCE (%)	8.46%	8.45%	5.37%	8.31%	20.89%	8.54%	2.90%	9.28%	7.86%	8.84%	12.06%	6.89%
Net Fixed Asset Turnover (In Times)	2.51	4.44	1.32	1.98	2.37	1.34	3.95	7.29	4.40	6.82	6.42	1.87
Operating Cash Flows (₹ in Lakhs)	2,950.53	1,180.52	1,056.43	1,287.71	2,312.75	612.73	6,540.59	2,215.43	(1,089.31)	1,576.09	975.82	2,744.11

*Source: The Figure has been certified by our Peer Review Auditors, M/s. JPMK and Company, Chartered Accountants vide their certificate dated April 27, 2024.*

**COMPARISON OF OPERATIONAL KPIS FOR OUR COMPANY AND OUR LISTED PEERS:**

Particulars	Siddhi Cotspin Limited			Lagnam Spintex Limited			Pashupati Cotspin Limited			United Polyfab Gujarat Limited		
	For the Period/Year ended on			For the Period/Year ended on			For the Period/Year ended on			For the Period/Year ended on		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
<b>Cotton Yarn</b>												
Installed Capacity (In Kgs)	9,011,850	9,011,850	9,011,850	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Production (In Kgs)	6,318,541	7,099,541	8,284,153	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Capacity Utilization (In %)	70.11%*	78.78%	91.93%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Value Addition Yarn</b>												
Installed Capacity (In Kgs)	13,579,500	9,011,850	9,011,850	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Capacity Utilization (In Kgs)	9,357,665	0	5,798,782	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Capacity Utilization (In %)	68.91%	0.00%	64.35%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Contribution to revenue from operations of top 1 / 3 / 5 /10</b>												
Top 1 Customers (%)	18.80%	34.85%	25.95%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Top 3 Customers (%)	42.73%	56.69%	42.80%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Top 5 Customers (%)	57.82%	68.01%	50.26%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Top 10 Customers (%)	82.68%	78.77%	61.99%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\* Not Annualized

Source: The Figure has been certified by our Peer Review Auditors, M/s. JPMK and Company, Chartered Accountants vide their certificate dated April 27, 2024.

**WEIGHTED AVERAGE COST OF ACQUISITION:****a) The Price per share of our Company based on the primary/ new issue of shares (equity / convertible securities).**

The details of issuance of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days, are as follows:

Sr. No.	Name of Allottees	Date of Allotment	Nature of Consideration	No. of shares	Total Value	Offer Price per Share (in ₹)
1.	Yogesh Manaharlal Raval	08-Nov-23	Conversion of Preference Shares	36,429	₹ 3.64 lakhs	10.00
2.	Shailesh Babulal Patel	08-Nov-23		2,79,722	₹ 27.97 lakhs	10.00
<b>Total</b>				<b>3,16,151</b>	<b>₹ 31.62 lakhs</b>	<b>-</b>
<b>Weighted Average Cost of Acquisition (WACA)</b>						<b>10.00</b>

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

The details of secondary sale / acquisition of whether equity shares or convertible securities, where the promoter, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days, are as follows:

*There has been no transfer of Equity Shares (excluding gifts) during the 18 months more than 5% of the fully diluted paid up share capital of the Company preceding the date of this Draft Red Herring Prospectus.*

**c) Price per share based on the last five primary or secondary transactions;**

Since there are transactions to report under (a) and (b) above, therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoters / Promoter Group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction) not older than 3 years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is not applicable.

**d) Weighted average cost of acquisition, floor price and cap price:**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price	Cap Price
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	10.00	[●] times	[●] times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible	N.A.	N.A.	N.A.

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price	Cap Price
securities), where promoter / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.**			
Since there were no secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company, the information has been disclosed for price per share of our Company based on the last five secondary transactions where promoter /promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction.	N.A.	N.A.	N.A.

\* The details shall be provided post the fixing of price band by our Company at the stage of Red Herring Prospectus or the filing of price band advertisement.

**Note:**

**Justification for Basis of Offer price: -**

- The following provides a detailed explanation for the Offer Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoter, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the period ended December 31, 2023 and Financial Years 2022-23, 2021-22 and 2020-21.

[●]

*(To be included on finalization of Price Band)*

- The following provides an explanation to the Offer Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoter, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any

[●]

*(To be included on finalization of Price Band)*

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with "Risk Factors", "Business Overview" and "Summary of Restated Financial Information" beginning on pages 24, 109 and 46, respectively of this Draft Red Herring Prospectus, to have a more informed view.

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
**The Board of Directors**  
**Siddhi Cotspin Limited,**  
Survey No. 279 & 280,  
Dholi Integrated Spinning Park,  
Dholi, Ahmedabad-382240

Dear Sir,

**Subject: Statement of possible tax benefits (“the statement”) available to Siddhi Cotspin 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.**

**Ref: Proposed Initial Public Offering of Equity Shares of Face Value ₹ 10 Each (The “Equity Shares”) of Siddhi Cotspin Limited (The “Company”).**

1. We hereby confirm that the enclosed Annexure I, prepared by Siddhi Cotspin Limited ('the Company'), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the “Taxation Laws”), the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company, and its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation 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. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, and its shareholders and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, and its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. 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.
4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. 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 I would be met with; and
  - iii) the revenue authorities courts will concur with the views expressed herein.

6. The Content 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.
7. 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.
8. 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.
9. 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, JPMK and Company**  
**Chartered accountants**  
**Firm reg. No. 124193W**

**CA Jitendra Vageriya**  
**Partner**  
**Membership No. 114424**  
**UDIN: 24114424BKAPRP7532**

**Date: April 10, 2024**  
**Place: Ahmedabad**

## **ANNEXURE I TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company, and the Shareholders under the Taxation Laws 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 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 Taxation Laws.

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

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

#### **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.

We hereby give our consent to include our above referred opinion regarding the special tax benefits available to the Company, and to its shareholders in the Draft Red Herring Prospectus /Red Herring Prospectus/Prospectus.

## SECTION VIII – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

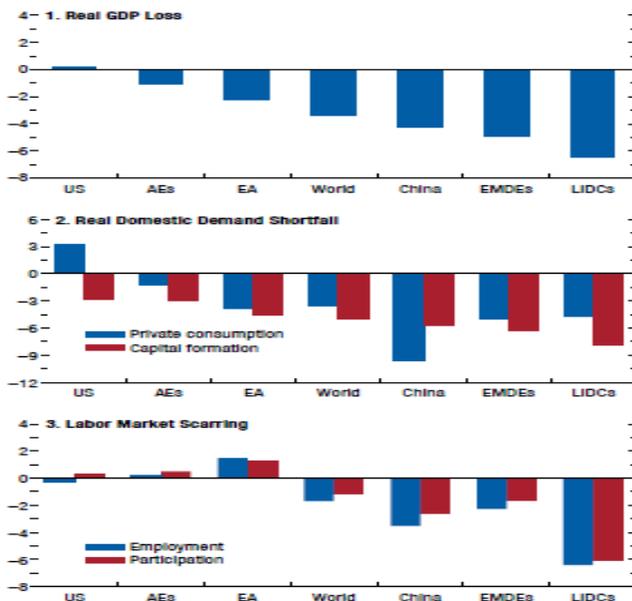
The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the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

#### GLOBAL OUTLOOK

More than three years after the global economy suffered the largest shock of the past 75 years, the wounds are still healing, amid widening growth divergences across regions. After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia’s war in Ukraine, and increasing geo-economics fragmentation. Others are more cyclical, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events.

Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of pre-pandemic (January 2020) projections, especially in emerging market and developing economies (Figure 1.1, panel 1). The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its pre-pandemic path. The euro area has recovered, though less strongly—with output still 2.2 percent below pre-pandemic projections, reflecting greater exposure to the war in Ukraine and the associated adverse terms-of-trade shock, as well as a spike in imported energy prices. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about 4.2 percent, compared with pre-pandemic predictions. Other emerging market and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent. Higher interest rates and depreciated currencies have exacerbated the difficulties of low-income countries, placing more than half either at high risk of distress or already in distress. Overall, global output for 2023 is estimated at 3.4 percent (or about \$3.6 trillion in 2023 prices) below pre-pandemic projections.

**Figure 1.1. Incomplete Recovery: Scarring from the Shocks of 2020–22**  
(Percent; deviation in 2023 from pre-pandemic projections)



**Figure 1.2. The COVID-19 Shock: Returning to Normal**  
(Standard deviations from average value; index, 100 = highest point worldwide during 2008–23, on right scale)

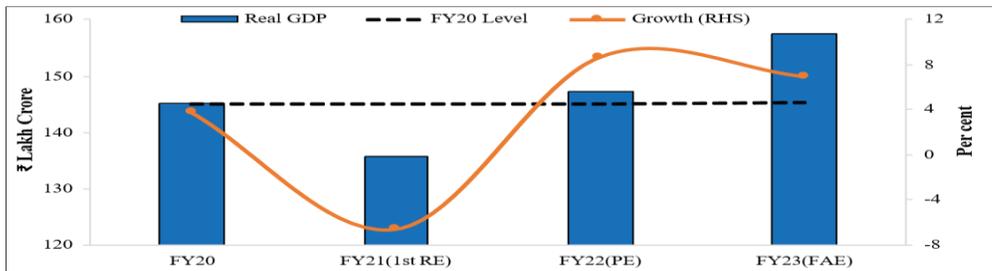


Sources: Federal Reserve Bank of New York, Global Supply Chain Pressure Index; Google Trends.  
Note: On right scale, numbers represent search interest relative to the highest point (100) during 2008–23 worldwide.

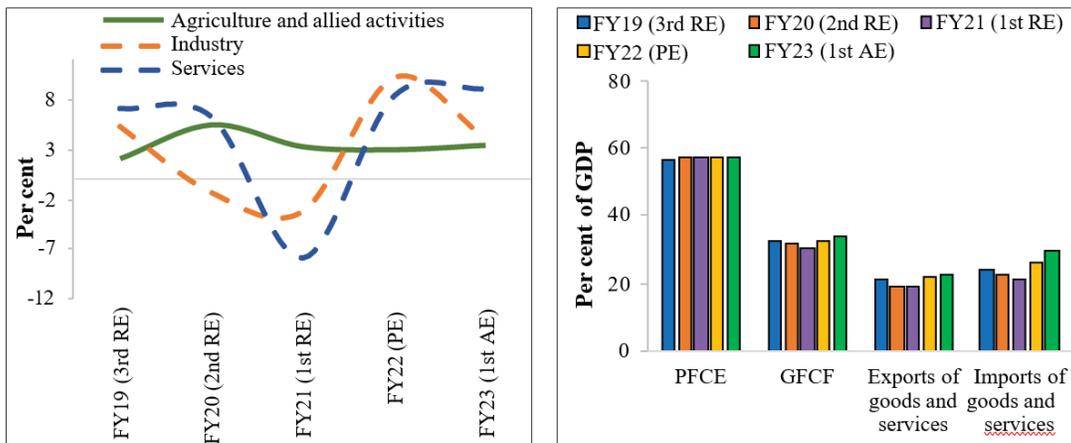
(Sources: world economic outlook)

#### INDIAN ECONOMY

The impact of the pandemic on India was seen in a significant GDP contraction in FY21. The following year, FY22, the Indian economy started to recover despite the Omicron wave of January 2022. This third wave did not affect economic activity in India as much as the previous waves of the pandemic did since its outbreak in January 2020. Mobility enabled by localised lockdowns, rapid vaccination coverage, mild symptoms and quick recovery from the virus contributed to minimising the loss of economic output in the January-March quarter of 2022. Consequently, output in FY22 went past its pre-pandemic level in FY20, with the Indian economy staging a full recovery ahead of many nations. The experience with the Omicron variant engendered a cautious optimism that it was possible to stay physically mobile and engage in economic activities despite the pandemic. FY23 thus opened with a firm belief that the pandemic was rapidly on the wane and that India was poised to grow at a fast pace and quickly ascend to the pre-pandemic growth path.



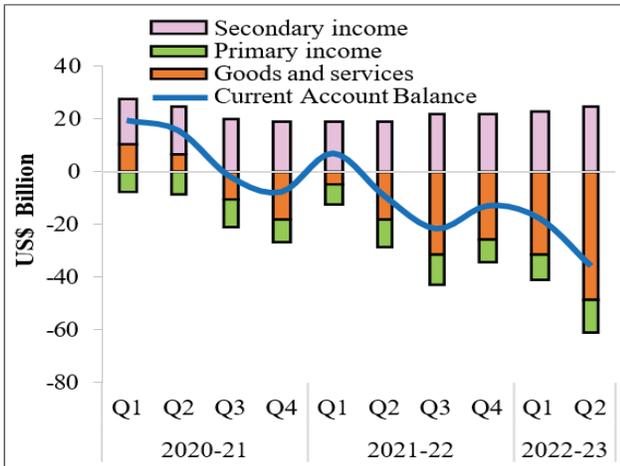
Source: NSO, MoSPI  
 Note: AE stands for Advanced Estimates, PE stands for Provisional Estimates, RE stands for Revised Estimates



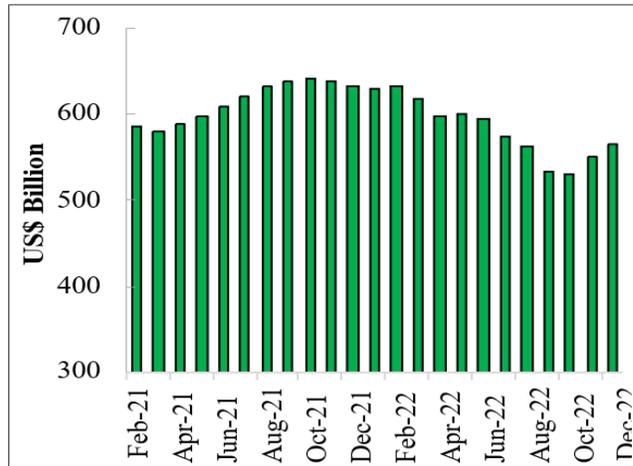
Source: NSO, MoSPI  
 Note: AE stands for Advanced Estimates, PE stands for Provisional Estimates, RE stands for Revised Estimates

However, the conflict in Europe necessitated a revision in expectations for economic growth and inflation in FY23. The country’s retail inflation had crept above the RBI’s tolerance range in January 2022. It remained above the target range for ten months before returning to below the upper end of the target range of 6 per cent in November 2022. During those ten months, rising international commodity prices contributed to India’s retail inflation as also local weather conditions like excessive heat and unseasonal rains, which kept food prices high. The government cut excise and customs duties and restricted exports to restrain inflation while the RBI, like other central banks, raised the repo rates and rolled back excess liquidity.

With monetary tightening, the US dollar has appreciated against several currencies, including the rupee. However, the rupee has been one of the better-performing currencies worldwide, but the modest depreciation it underwent may have added to the domestic inflationary pressures besides widening the CAD. Global commodity prices may have eased but are still higher compared to pre-conflict levels. They have further widened the CAD, already enlarged by India’s growth momentum. For FY23, India has sufficient forex reserves to finance the CAD and intervene in the forex market to manage volatility in the Indian rupee.

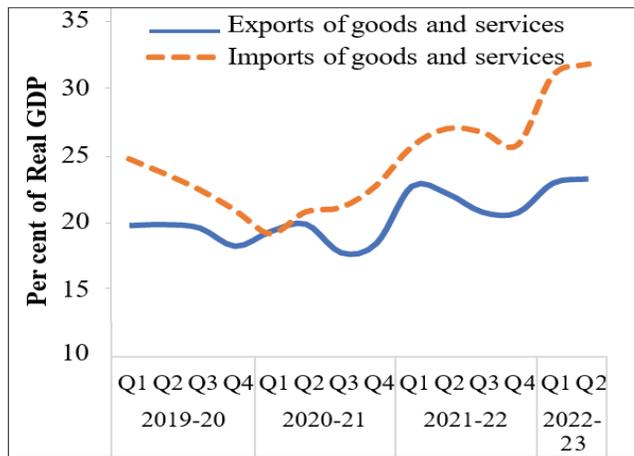
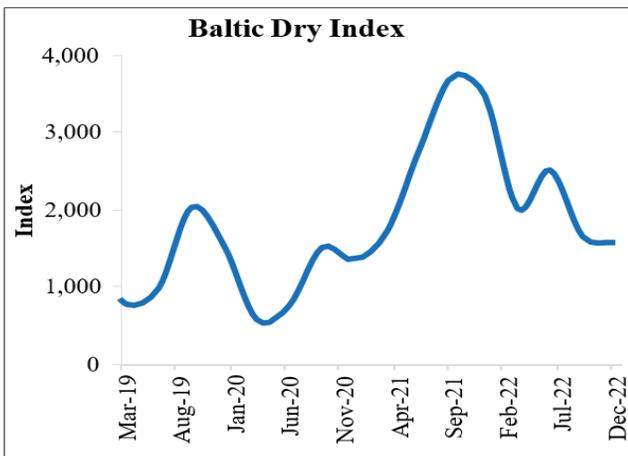


Source: RBI



Source: RBI

For many countries around the world, including India, 2021 was a period of recovery for health and economies from the impact of the pandemic. For the advanced economies, in particular, the enormous fiscal stimulus earlier injected by their governments supported a strong demand revival. Growth in world trade subsequently followed, of which India was also a beneficiary. India's exports surged in FY22, and the momentum lasted up to the first half of FY23. Export growth was strong enough to increase India's share in the world market of merchandise exports. However, due to aggressive and synchronised monetary tightening, global economic growth has started to slow, and so has world trade. As per United Nations Conference on Trade and Development (UNCTAD) latest global trade update, global trade growth turned negative during the H2:2022, and geopolitical frictions, persisting inflationary pressures, and subdued demand are expected to suppress global trade further in 2023. This is likely to affect many countries, including India, with the prospects of sluggish exports continuing into FY24, compared to the promise shown at the beginning of the current year.

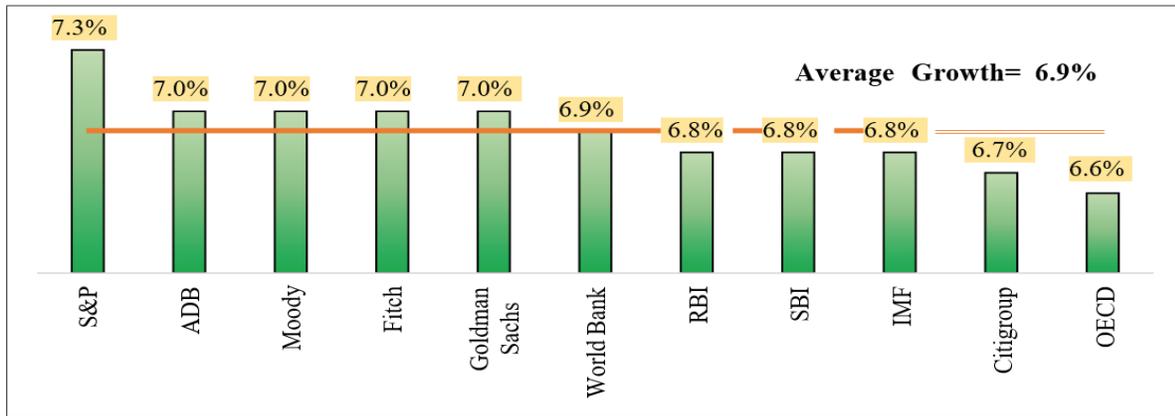


Source: The Great Eastern Shipping Co. Ltd. Source: NSO, MoSPI

### India's Economic Resilience and Growth Drivers

Monetary tightening by the RBI, the widening of the CAD, and the plateauing growth of exports have essentially been the outcome of geopolitical strife in Europe. As these developments posed downside risks to the growth of the Indian economy in FY23, many agencies worldwide have been revising their growth forecast of the Indian economy downwards. These forecasts, including the advance estimates released by the NSO, now broadly lie in the range of 6.5-7.0 per cent. Despite the downward revision, the growth estimate for FY23 is higher than for almost all major economies and even slightly above the average growth of the Indian economy in the decade leading up to the pandemic. IMF estimates India to be one of the top two fast-growing significant economies in 2022. Despite strong global headwinds and tighter domestic monetary policy, if India is still expected to grow between 6.5 and 7.0 per cent, and that too without the advantage of a base effect, it is a reflection of India's underlying economic resilience; of its ability to recoup, renew and re-energise the growth drivers of the economy.

**Figure I.17: India growth projections by various agencies for FY23**



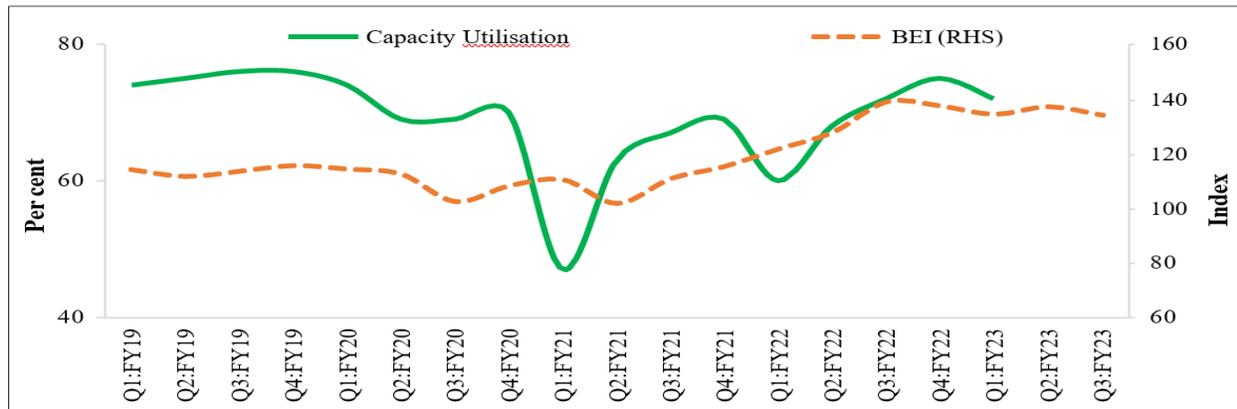
Source: Various Agencies

Note: ADB stands for Asian Development Bank, IMF is International Monetary Fund

India's economic resilience can be seen in the domestic stimulus to growth seamlessly replacing the external stimuli. The growth of exports may have moderated in the second half of FY23. However, their surge in FY22 and the first half of FY23 induced a shift in the gears of the production processes from mild acceleration to cruise mode. Manufacturing and investment activities consequently gained traction. By the time the growth of exports moderated, the rebound in domestic consumption had sufficiently matured to take forward the growth of India's economy. Private Consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY23, the highest among the second quarters of all the years since 2013-14, supported by a rebound in contact-intensive services such as trade, hotel and transport, which registered sequential growth of 16 per cent in real terms in Q2 of FY23 compared to the previous quarter.

Although domestic consumption rebounded in many economies, the rebound in India was impressive for its scale. It contributed to a rise in domestic capacity utilisation. Domestic private consumption remains buoyant in November 2022, as indicated by Motilal Oswal's Economic Activity Index. The index estimates that private consumption grew at a five-month high pace of 5.6 per cent YoY, driven by auto sales and broad-based expansion of services.

**Figure I.18: Enhanced capacity utilisation and business sentiments**



Source: RBI

Note: BEI – Business Expectations Index

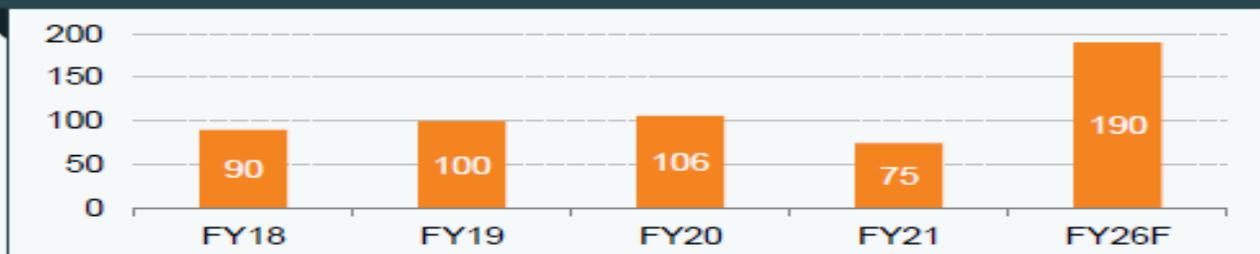
[Source: *Economic Survey 2022-23* <https://www.indiabudget.gov.in/economicsurvey/>]

## TEXTILE SECTOR

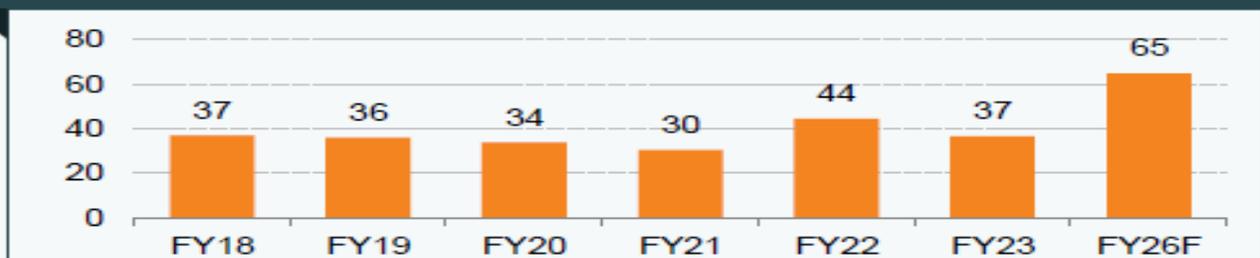
- India is the world's second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4.6% share of the global trade in textiles and apparel.
- India is the world's 3rd largest exporter of Textiles and Apparel.
- The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports.

- The textile industry has around 45 million workers employed in the textiles sector, including 3.5 million handloom workers.
- During (April-March) 2022-23, the total exports of textiles (including handicrafts) stood at US\$ 36.68 billion.
- India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY.
- The Indian textile industry has made a mark in the world with its innovative and attractive products.
- Total textile exports are expected to reach US\$ 65 billion by FY26.
- The Indian textile and apparel industry is expected to grow at 10%
- CAGR from 2019-20 to reach US\$ 190 billion by 2025-26.
- The Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major boost for textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

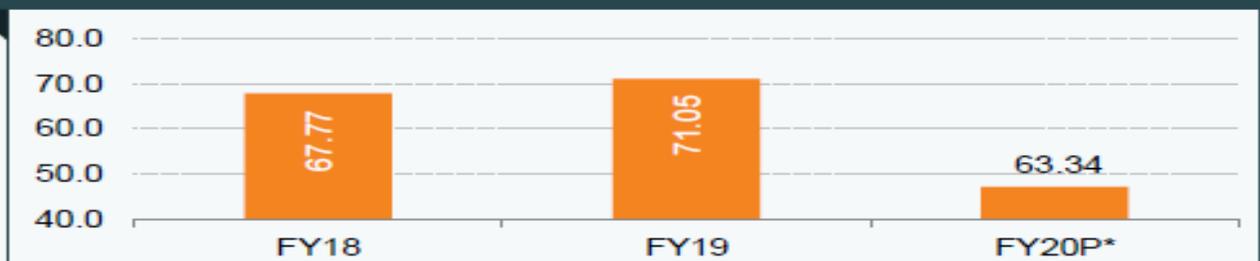
### Domestic textile and apparel industry in India (US\$ billion)



### Textiles and apparel exports from India (US\$ billion)



### Total cloth production in India (billion square meters)



## ADVANTAGE INDIA

### Competitive Advantage

- Abundant availability of raw materials such as cotton, wool, silk and jute.
- India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers.
- In July 2022, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Mr. Piyush Goyal, stated that the mantra of 5 F's - Farms to Fibre to Fabric to Fashion to Foreign export – will help make India a strong textile brand globally.

### Policy Support

- 100% FDI (automatic route) is allowed in the Indian textile sector.
- Under Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million).
- In October 2021, the government approved a PLI scheme worth Rs. 4,445 crore (US\$ 594.26 million) to establish seven integrated mega textile parks and boost textile manufacturing in the country.
- In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75,000 beneficiaries has been allocated. 1,83,844 beneficiaries trained across 1,880 centres under Samarth.

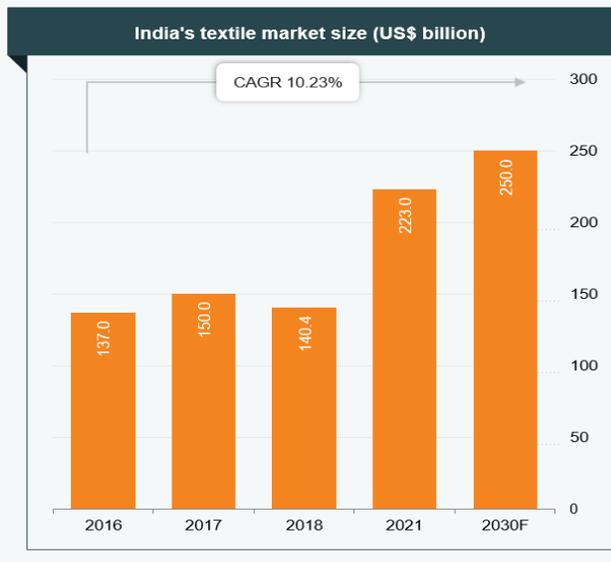
### Robust Demand

- The Indian technical textiles market is expected to expand to US\$ 23.3 billion by 2027, driven by increased awareness of goods and higher disposable incomes.
- Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.
- In FY23, exports of readymade garments including accessories stood at US\$ 16.2 billion. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.
- Mr. Piyush Goyal discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.

### Increasing Investments

- In order to attract private equity (PE) and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.
- Total FDI inflows in the textiles sector between April 2000-June 2023 stood at US\$ 4.31 billion.

## THE SECTOR HAS BEEN POSTING STRONG GROWTH OVER THE YEARS



The size of India's textile market stood at US\$ 223 billion in 2021, growing at a CAGR of 10.23% from 2016.

The Indian textiles market is expected to be worth >US\$ 209 billion by 2029.

India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22.

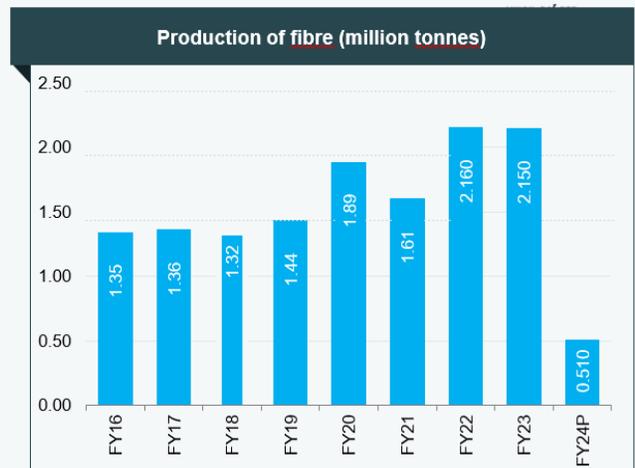
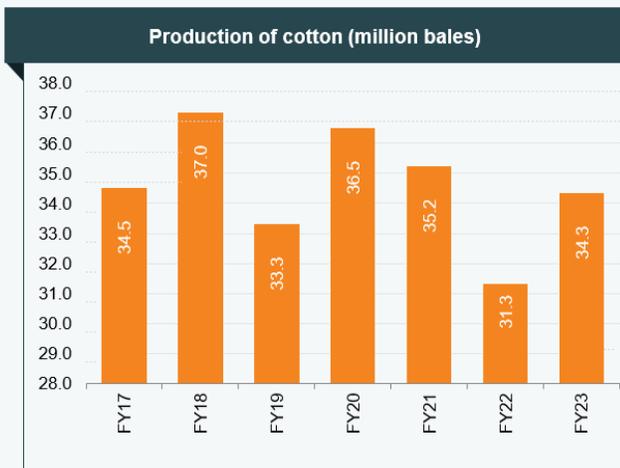
Mr. Piyush Goyal discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.

In December 2022, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Mr. Piyush Goyal, advocated that India should take its textile exports to US\$ 100 billion by 2030.

In September 2021, the government approved a Rs. 10,683 crore (US\$ 1.44 billion) production-linked incentive (PLI) scheme for the textiles sector. This will benefit the textile manufacturers registered in India.

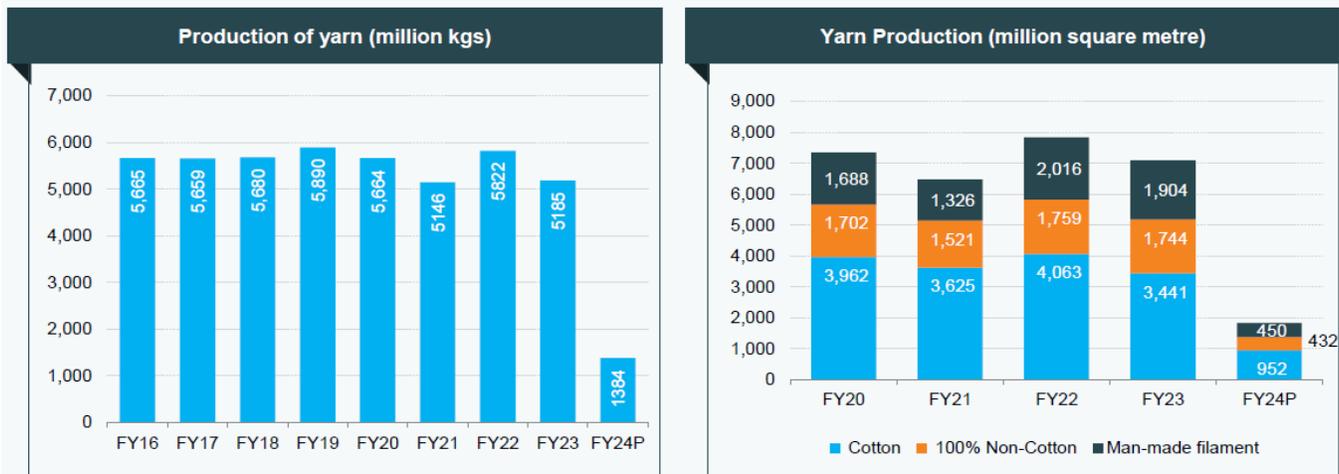
Incentives under the scheme will be available for five years from 2025-26 to 2029-30 on incremental turnover achieved from 2024-25 to 2028-29. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

### Raw cotton and man-made fibre production increasing

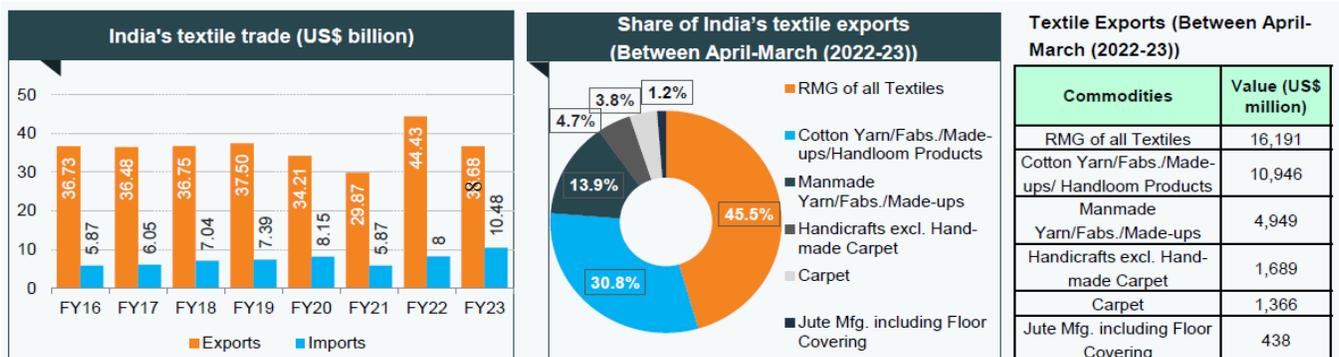


- India is the world's largest producer of cotton. Estimated production stood at 343.4 lakh bales during cotton season 2022-23.
- Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$138 billion to US\$195 billion by 2025.
- The cotton production in 2022-23 is estimated to be 341.91 lakh bales (LB) with 80.25 LB in Maharashtra, 0.065 LB in Uttar Pradesh and 15.19 LB in Madhya Pradesh.
- India's demand for domestic consumption of cotton is estimated to be 5.29 million metric tonnes in 2022-23.
- Cotton and fibres are the two major segments in this category. Production of man-made fibre has also been on an upward trend.

- In 2022-23, the production of fibre in India stood at 2.15 million tonnes.



- Production of yarn grew to 5,185 million kgs in FY23.
- In H1 FY23, the Indian yarn exports were estimated at 28.9 crore kg.
- Expected production of filament yarn climbed by 49% and that of man-made fibres by 33% between April-January 2020 compared to the same period in 2019. Production of blended and 100% non-cotton yarn grew by 2% from April through January 2020 in comparison to the same timeframe in 2019.
- Between April-October 2021, yarn worth Rs. 83.91 crore (US\$ 10.52 million) was exported from India.
- In March 2021, Natco Pharma announced its expansion into pheromone-based technology in order to provide Indian farmers with an integrated pest control solution. The company is planning to introduce its first green-label pheromone product to control 'pink bollworm' in cotton fields. It's Crop Health Science (CHS) division will collaborate with ATGC Biotech Pvt. Ltd. (ATGC) for the pheromone-based mating disruption technology.



- During (April-March) 2022-23, the total exports of textiles stood at US\$ 36.68 billion.
- Exports of textiles (RMG of all textiles, cotton yarns/fabs./made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 44.4 billion in FY22.
- India's ready-made garment (RMG) exports are likely to surpass US\$ 30 billion by 2027, growing at a CAGR of 12-13%.
- In July 2021, the government extended the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for exports of apparel/garments and made-ups until March 2021. This helped boost exports and enhance competitiveness in the labour-intensive textiles sector.
- In August 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs, Food and Public Distribution, Mr. Piyush Goyal, said that steps need to be taken to boost production capacities of the handloom sector from existing Rs. 60,000 crore (US\$ 8.06 billion) to 125,000 crore (US\$ 16.80 billion) in three years. He added that target must be set to increase exports

of handloom items from existing Rs. 2,500 crore (US\$ 335.92 million) to Rs. 10,000 crore (US\$ 1.34 billion). He also announced that a committee would be constituted consisting of all weavers, trainer equipment makers, marketing experts and other stakeholders to recommend ways and means to achieve these objectives and enhance overall progress of the handloom sector.



Textile manufacturing in India has been steadily recovering amid the pandemic.

The seven mega textile parks announced in the Union Budget 2022-23 should attract investments.

In July 2023, PM MITRA Park, Amravati expected to attract investment of Rs. 10,000 crore (US\$ 1.20 billion) and create employment for 300,000 individuals.

In May 2023, an investment of around Rs. 6,850 crore (US\$ 824.25 million) is expected in the PM MITRA Park in Madhya Pradesh and Rs. 8,675 crore (US\$1.04 billion) in other parts of the state.

While the government is working towards upliftment of technical and MMF textile companies by upscaling its infrastructure, it is also interesting to note that textile will be added to the educational curriculum in the near future.

In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.

In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the government has plans to come up with a second PLI scheme for the garments and textile sector because the first scheme received a great response.

### Technical textiles

- In August 2023, the Ministry of Textiles approved 26 engineering institutions for the introduction of Technical Textiles under the National Technical Textiles Mission.
- Increased awareness of goods, higher disposable incomes, changing customer patterns and some sector-specific growth drivers are estimated to bolster the Indian technical textiles market to US\$ 23.3 billion in 2027, up from US\$ 14 billion in 2020 in the Asia-Pacific region.
- The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027.

### Public Private Partnership (PPP)

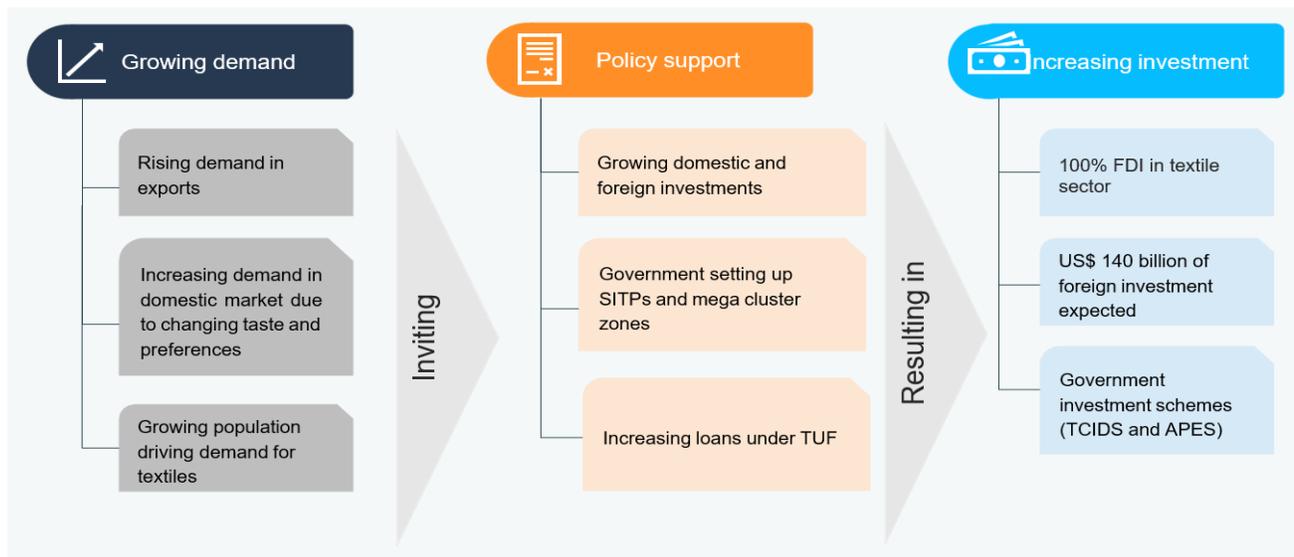
- The Ministry of Textiles commenced an initiative to establish institutes under PPP to encourage private sector participation in the development of the industry.
- In August 2021, Flipkart and Himachal Pradesh State Handicrafts and Handloom Corporation Ltd. (HPSHHCL) signed a memorandum of understanding (MoU) to help the state’s master craftsmen, weavers and artisans showcase their hallmark products on e-commerce platforms.

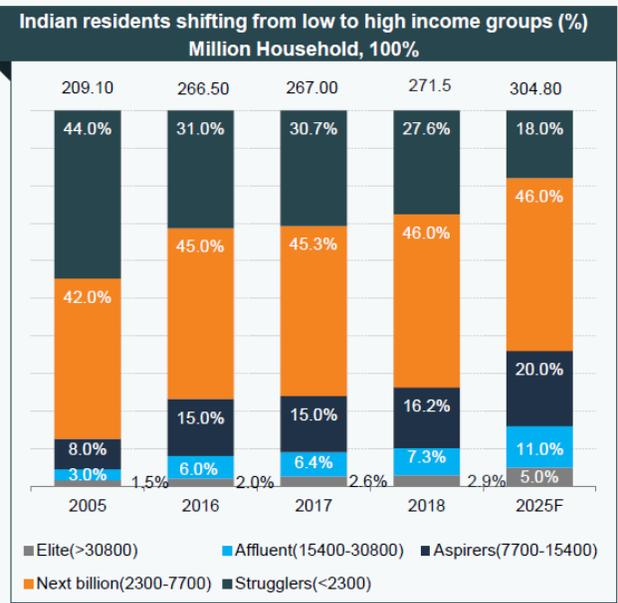
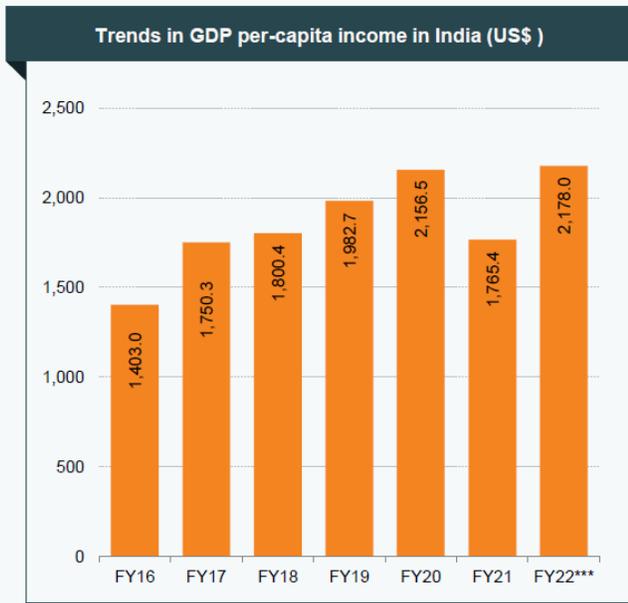
### R&D

- In June 2023, the Government has approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in the textile sector. 20 R&D Projects have been approved under the National Technical Textiles Mission in Geotech, Protech, Indutech, Sustainable Textiles, Sportech, Buildtech and Speciality Fibres.
- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed in the silk industry.
- Defence Research and Development Organisation (DRDO) is helping the Indian textile industry to produce yarns and eliminate dependence on import of Chinese and other foreign clothing for military uniforms.
- In October 2021, IIT Delhi converted the SMITA Research Lab Centre of Excellence in smart textiles to work on emerging materials and technologies; this step was taken to innovate the country’s textile industry.

### Focus on high growth domestic markets

- In November 2022, Tamil Nadu Chief Minister Mr. M. K. Stalin announced the establishment of a "Textile City" in Chennai as part of Tamil Nadu's strategy to become a major participant in the global textile industry. Additionally, the state will build a 1,500-acre textile park in the Virudhunagar district, for which SIPCOT will buy land.
- In June 2022, Minister of Textiles, Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, stated that the Indian government plans to establish 75 textile hubs similar to Tiruppur that would not only promote the export of textile products and assure the use of sustainable technologies, but also create a significant amount of job possibilities.
- The Government of India has increased the basic custom duty to 20% from 10% on 501 textile products to boost Make in India and indigenous production.





- Rising income has been a key determinant of domestic demand for the sector; with income rising in the rural economy as well. The upward push on demand from rising income is set to continue.
- Rising industrial activity would support the growth in per capita income.

India is the world’s second-largest textile exporter. Capacity built over years has led to low cost of production per unit in India’s textile industry. This has lent a strong competitive advantage to the country’s textile exporters over key global peers.

During April-March (2022-23), the total exports of textiles stood at US\$ 36.68 billion.

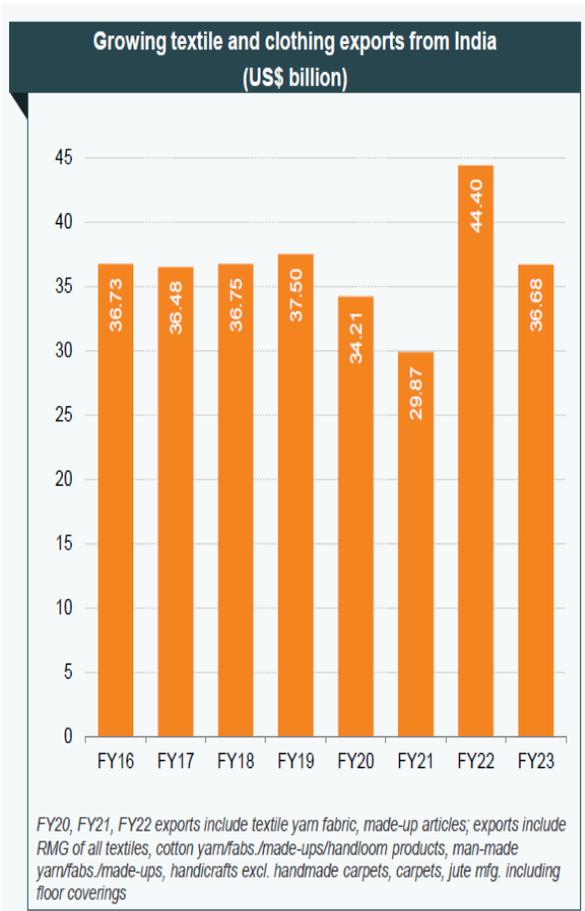
The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027.

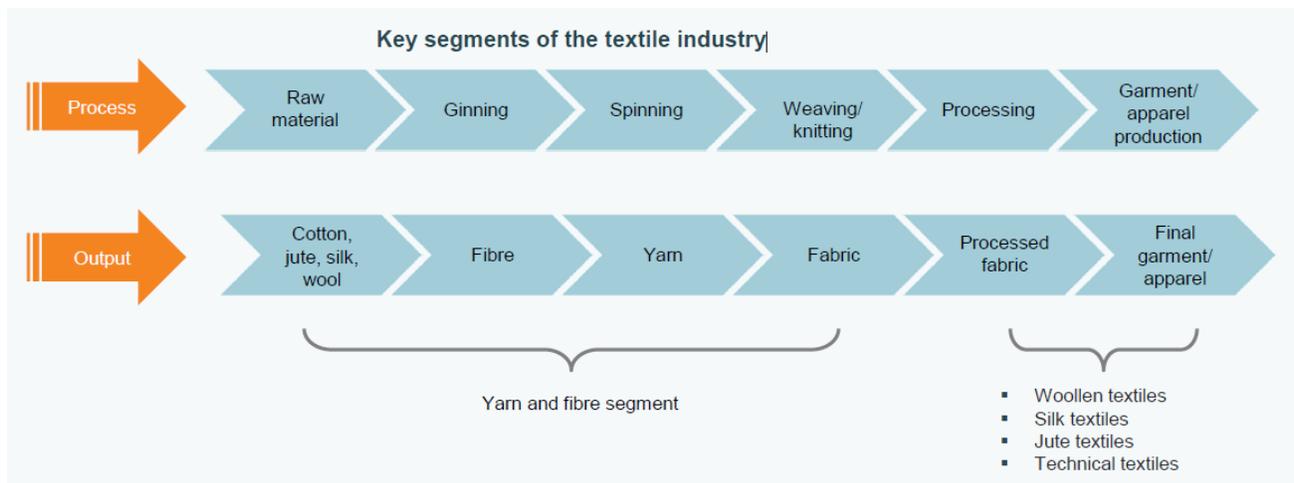
The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

Textile exports reached US\$ 44.4 billion in FY22, a 41% YoY growth.

In the coming decade, Africa and Latin America could very well turn out to be the key markets for Indian textiles.

In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.





## OPPORTUNITIES FOR TEXTILE INDUSTRY

### 1. Immense growth potential

- In September 2023, Shadowfax inaugurated a 1.5 lakh sq. ft. fulfilment center in Surat with 10 lakh orders per day processing capacity.
- The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand.
- The textile and apparel industry is expected to grow to US\$ 190 billion by FY26.

### 2. Silk production

- The total amount of Raw Silk produced was 28,106 MT. A total of 44 R&D projects were started, and 23 of them were successfully completed. 9,777 people were trained in a variety of activities relating to the silk industry.
- The Central Silk Board sets a target for raw silk production and encourages farmers and private players to grow silk. To achieve these targets, alliances with the private sector, especially agro-based industries in pre-cocoon and post-cocoon segments, are encouraged.
- The total raw silk production stood at 33,000 MT in FY21.

### 3. Bilateral relations

- In October 2021, the Ministry of Textiles and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) signed an MoU to implement the 'Indo German Technical Cooperation' project. The project aims to increase the value addition from sustainable cotton production in the country.
- In March 2021, Pakistan approved reinstatement of cotton and sugar imports from India, indicating softening of bilateral relations.

### 4. Proposed FDI in multi-brand retail

- For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers.
- It will also bring in greater investment along the entire value chain - from agricultural production to final manufactured goods.
- With global retail brands assured of a domestic foothold, outsourcing will also rise significantly.

### 5. Union Budget 2023-24

- Under the Union Budget 2023-24, the government has allocated:
- Rs. 4,389.24 crore (US\$ 536.4 million) to the Ministry of Textiles.

- Rs. 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS).
- Rs. 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.
- Rs. 450 crore (US\$ 54.99 million) for National Technical Textiles Mission.

#### **6. Centers of Excellence (CoE) for research and technical training**

- The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities.
- Existing 4 CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centres and support for the development of prototypes.
- Fund support would be provided for appointing experts to develop these facilities.

#### **7. Foreign investments**

- The Government is taking initiatives to attract foreign investment in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France.
- According to the new Draft of the National Textile Policy, the Government is planning to attract foreign investment and creating employment opportunities for 35 million people.
- In December 2019, online clothing brand Henry & Smith raised US\$ 1 million from WEH Ventures and Rukam Capital.
- India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN) as there exist several opportunities for textile manufacturing companies from 10-nation bloc to invest in India.

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

## BUSINESS OVERVIEW

**The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Prospectus, including the information contained in the section titled “Risk Factors” on Page no. 24 of this Draft Red Herring Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us”, “Siddhi”, “SCL” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our Restated financial statements prepared in accordance with Accounting Standard set forth in the Draft Red Herring Prospectus.**

Our Company was originally formed and registered as a Private Limited under the Companies Act, 2013 (“Companies Act”) under the name and style of “Siddhi Cotspin Private Limited”, pursuant to a Certificate of Incorporation dated November 23, 2015 issued by Registrar of Companies, Gujarat. Later on, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on January 29, 2024 and the name of our Company was changed to “Siddhi Cotspin Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated February 12, 2024 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U17123GJ2015PLC085135.

Our company is benefited from the extensive experience of our Promoter and Managing Director, Mr. Navin Saraogi who is associated with our company since the incorporation and having experience of more than 20 (Twenty) years in the textile industry. Our Board of Directors and other Key Managerial Personnel has also provided significant contribution in the growth of our company.

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. We have set up a Greenfield project of manufacturing value added and specialty cotton yarn at Unit No.13, Sub Plot No. 18, Survey No. 279 & 280, Village Dholi, Taluka Dholka, District Ahmedabad, Gujarat – 382240, with a total spinning capacity of 29,376 spindles. The installed unit is capable of producing cotton yarn including value added yarns. Our current capacity of production is 90,11,850 Kgs for Cotton Yarn and 13,579,500 Kgs for Value added yarn.

Our Manufacturing facility is equipped with modern and automatic plant and machinery. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team in spinning is well equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn. Technology is a crucial aspect of the cotton yarn industry. Our experienced team of technicians and operators ensure that every batch of cotton yarn produced meets the highest quality parameters. We have implemented a comprehensive quality management system that covers every stage of production. We conduct rigorous testing and inspection of raw materials, intermediate products and final yarns to ensure they meet the specified standards. We are committed to sustainable manufacturing practices and environmental responsibility. Our processes are designed to minimize waste, conserve energy and reduce the environmental impact. We have built strong relationship with a diverse range of clients, including textile manufacturers, garment exporters and distributors. Our emphasis on quality, reliability and timely delivery has helped us establish long term partnerships with our customers.

We are manufacturing various value added cotton yarns like Compact Carded Hosiery, Compact Combed Hosiery, Compact Carded Weaving, Compact Comb Weaving, Carded Weaving, Combed Weaving, Carded Hosiery, Combed Hosiery, Eli KW, Eli CW, Slub Yarn, Siro Slub Yarn, CSY-Lycra-Core Spin Yarn (Spandex), TFO Yarn - Double etc.

We also source high-quality, ready-made cotton yarns from trusted suppliers, in our conditioning facility, we meticulously adjust the yarn's moisture content, ensuring optimal workability, vibrant colors, and flawless stitching. This revitalized yarn is then offered at competitive prices to discerning crafters, budget-conscious businesses, and eco-conscious consumers who value both quality and sustainability. By extending the lifespan of existing yarn, we empower creativity while minimizing our environmental footprint, one perfectly conditioned skein at a time.

The cotton yarn is used by many textile industries and has a good demand in the market. The yarn produced by us is mainly used in Denim industries. Our main customers are located in the Gujarat Geographical area. Though we are not exporting directly, we export the cotton yarn to many countries through Merchant Exporters.

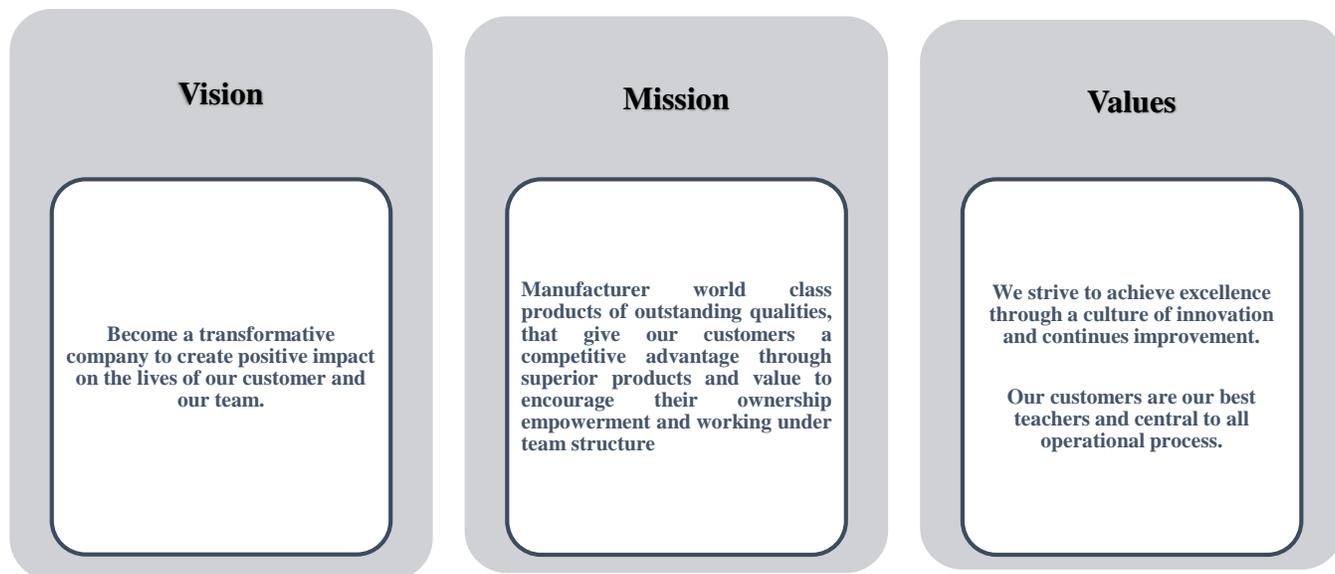
### FINANCIAL SNAPSHOT

The financial performance of the company for the period ended December 31, 2023 and last three financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 as per restated financial Statement are as follows:

(₹ in Lakhs)

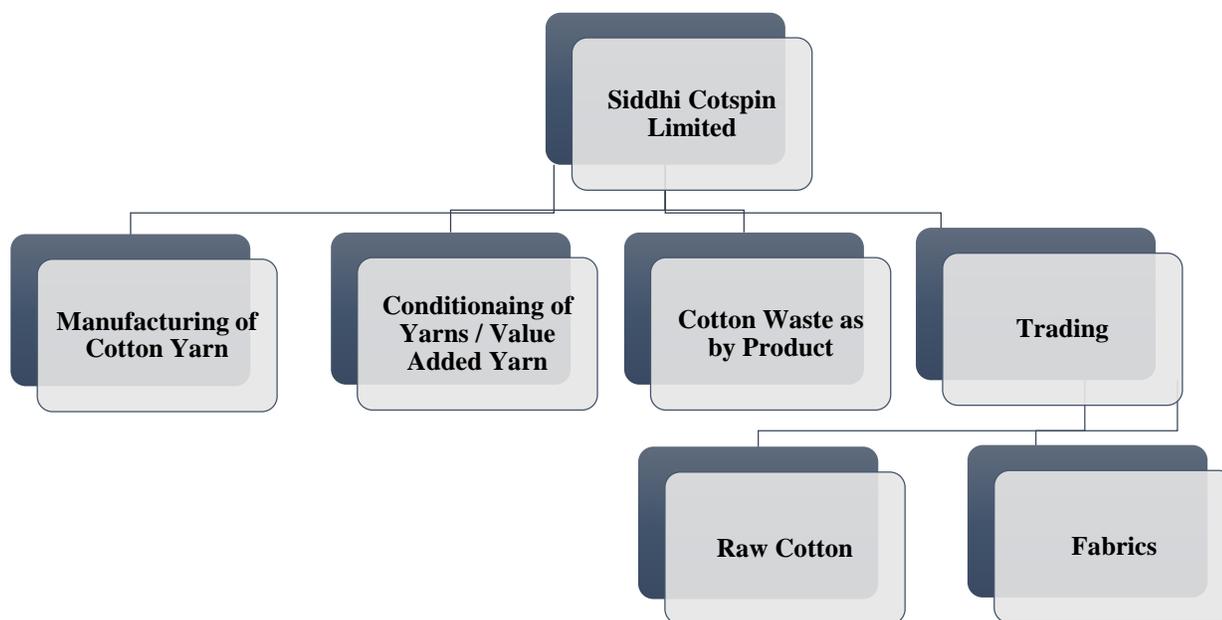
Particulars	December 31, 2023	For the Year ended on		
		March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations	35,739.99	19,932.60	40,238.93	13,744.67
<b>EBIDTA</b>	2,483.28	2,510.30	3,290.45	2,327.48
<b>Profit Before Tax</b>	1,165.82	893.45	1,098.62	298.59
<b>Profit After Tax</b>	801.98	601.56	765.74	228.28
<b>Fixed Assets</b>	6,924.87	7,624.04	8,270.27	9,868.28

### VISION, MISSION AND VALUES OF OUR COMPANY



### OUR BUSINESS MODEL

We derive our revenue from following business verticals:



## OUR PRODUCTS

We are producing mainly cotton yarn and value-added cotton yarns. The yarn some of which are given below:

1. Compact Carded Hosiery,
2. Compact Combed Hosiery,
3. Compact Carded Weaving,
4. Compact Comb Weaving,
5. Carded Weaving,
6. Combed Weaving,
7. Carded Hosiery,
8. Combed Hosiery,
9. Eli KW,
10. Eli CW,
11. Slub Yarn,
12. Siro Slub Yarn,
13. CSY-Lycra-Core Spin Yarn (Spandex),
14. TFO Yarn - Double



Yarn is the end product of spinning. It is the primary component for any Cotton woven or knitted fabric. Cotton yarn is used to make different type of fabrics. In some cases, the cotton yarn is blended with some other yarn in different ratios to provide different effects like shining or to lend more elasticity to the yarn. It is the yarn count and the twisting mode of the yarn that actually determines the overall strength and look of the manufactured fabric.

## OUR MANUFACTURING FACILITY

Our Manufacturing facility at Dholi Integrated Spinning Park, Dholka, Ahmedabad.

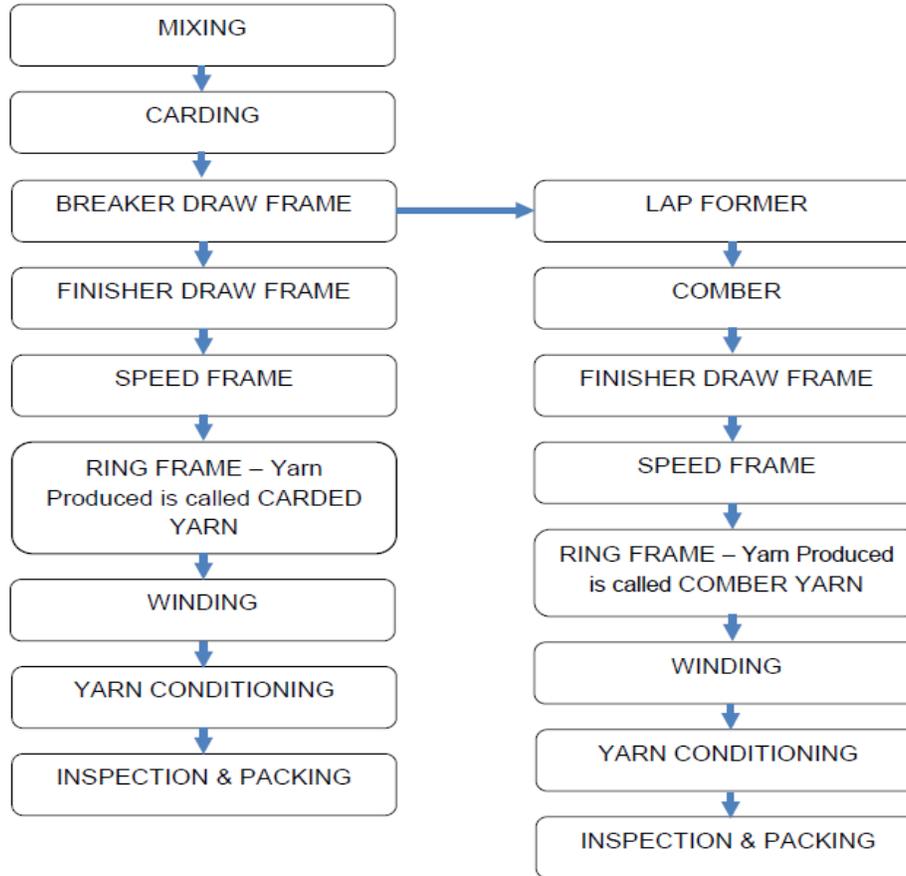




## BUSINESS PROCESS

The Process flow of our business operations is described below:

### Ring Spinning System



The typical project lifecycle for our business is described below:

### Spinning (Yarn Manufacturing)

The process of spinning means conversion of loosely laid fibers, into a twisted strand of fibers – called YARN - with a particular linear density i.e. weight per unit length. In technical terms it is called “Count”. A yarn is capable of being woven into a cloth. Yarn is the basic raw material for most of the textile fabrics. This fabric has its own purpose and end use such as apparel, sportswear, furnishing, medical, geotextile, industrial and so on. The raw material for cotton yarn is evidently natural raw cotton. Cotton is an agricultural crop and is picked from cotton cultivating fields in the form of cotton bolls. When picked, the cotton bolls contain cotton fibers attached to its seeds. It also contains leaves, soil and other impurities called ‘TRASH’. The first process, though the periphery of the spinning process, through which the raw material goes is Ginning. The process of ginning is the process of separating cotton seeds and cotton fibers. This ginned cotton is then pressed into a hard compressed structure called ‘bale’ suitable for handling, storing and transporting. Prior to ginning, a coarse inspection and segregation of foreign matters, damaged, yellow cotton is undertaken. Normal weight of an Indian cotton bale is 165 to 170 kg. A pair of two such bales is called ‘CANDY’.

### Sequence of processes and machines:

The sequence of production processes and machines further down the line, till it is made into yarn is as under:

#### 1. Mixing

The cotton, as purchased by a spinning mill, comes in the form of bales. It is hard compressed for effective handling, storage and transportation. Cotton in this form cannot be fed directly to the first process of the spinning i.e. blow room line. Traditionally, this was done manually by employing a large amount of workforce, mainly women. With the latest automated technology, this is done by the machine called bale plucker. Here, a large number of bales - normally 20 to 50 - are kept side by side. The traveler of the bale plucker travels along the complete length of this whole lot of bales and plucks some but equal quantity of cotton fibers from each bale. The amount of fibers to be plucked from each bale can be adjusted by the settings of the plucker. This ensures homogeneous mixing of large quantities of fibers coming from different bales. This in turn ensures the large quantity of yarn produced out of such mixing will have uniform physical and chemical properties. The fibers so plucked are fed pneumatically to the blow room line.

## **2. Blow Room**

The function of this process is to open the small lumps of cotton fibers, as fed by bale plucker, into completely loose form and to remove foreign materials such as leaves, seed particles, earth particles and other unwanted material called trash. Normally it is a sequence of up to 5 machines through which the cotton is processed. These machines have revolving rollers with pins/pegs mounted on their circumference. These rollers are called beaters, which beat and thrash the cotton into a loose state. In doing so the trash being heavier in weight gets separated from cotton fibers and drops down through openings bars underneath and beaters.

## **3. Carding**

With latest technology the loose fibers from the blow room are pneumatically fed to the next machine called card. Carding is the most important process in the yarn production process. It is said that, "well carded is half spun". This machine also has three rotating cylinders of different sizes placed very close to each other. These cylinders are called Licker-in, Cylinder and Doffer. Special kind of saw-toothed metallic wire is mounted on these cylinders. The card has unidirectional feeding arrangement with saw toothed feed roller for gripped and gentle transfer of fibers to licker-in zone. Modern carding machines may possess more than one Licker-in for intensive cleaning, pre opening and individualization of fibers. The cotton is passed over this fast moving wired surface and thereby individual fibers are separated from each other.

## **4. Breaker Draw Frames**

The silver as delivered from cards has got varying weight per unit length over its entire length. This variation within certain norms is unavoidable during the carding process because the strand is formed by grouping together or bunching of individual fibers with a certain degree of overlapping. The variation in weight per unit length has to be minimized to get uniform yarn. Draw frame combines 6-8 slivers together and then this combined strand is stretched or drawn 6-8 times. The action of combining say 6-8 strands achieves the object of coinciding thicker portions with thinner portions of two different strands thereby achieving better uniformity in weight per unit length.

## **5. Lap Former**

This machine combines 24-30 slivers from a draw frame and makes it into a roll or lap with slivers arranged one beside the other in this lap. This is a feed package for combining machines called comber.

## **6. Comber**

The fibers in the silver produced by carding and drawing frame machines lie in a criss-cross manner along the length of the sliver. To produce high quality uniform and stronger yarn these fibers need to straighten and make them lie along the length of the silver and parallel to each other. In the way we comb our hairs by a comb, this machine combs the fibers, lying in criss cross manner, straightens them and makes them lie along the length of silver and parallel to each other. In this process of combing short fibers, i.e. fibers below a certain length, clusters of fibers get removed. Rest of the cotton fibers go into further process again in the form of silver.

## **7. Finisher Draw Frame**

As mentioned above, this is the second passage through a draw frame with identical objectives but with greater expectations of uniformity. This greater uniformity is achieved by installing auto levelers on this draw frame. This is an electronic system, which continuously senses the weight per unit length of silver being processed and adjusts it within a very close tolerance automatically. The output product of this machine is once again a sliver which is collected and stored in a can.

## **8. Speed Frame**

This is the first stage to reduce the weight per unit length of fiber strand to a desired value depending on the yarn count to be produced next on ring frames. The sliver from the draw frame last passage is fed to this machine and it passes through

pairs of rollers with speed in increasing order whereby it gets stretched or drawn and is reduced down to desired weight per unit length. The delivered strand called as roving is quite thin and hence a little twist is imparted to hold the fibers together.

## 9. Ring Frame

The roving fed from bobbins to individual spindles on a ring frame machine is drawn to get desired weight/length or desired count. The yarn thus formed is wound onto a small bobbin. When bobbin completes a certain pre-decided content of yarn wound on it the machine is stopped, the bobbins are taken out or doffed from the ring frame and then taken to the next process of winding.

## 10. Winding

This is the last stage in single yarn spinning where the yarn from ring bobbing is transferred on to a bigger package normally into conical shape to make it convenient for handling. More importantly, while doing so it joins the yarns from several ring frame bobbins and to make a long single length of continuous yarn wound compactly onto a cone available for the next process of weaving or knitting. Another important function of a winding machine is electronic checking of yarn being wound by cutting and rejecting that much portion of yarn which is beyond the predefined acceptable tolerance limits of imperfection diameter and length. With the latest automated system, the winding machine is linked to the ring frame as its extension. The bobbins doffed from the ring frame by automatic doffing system are moved uninterruptedly to the link cone winding machine. This solution not only ensures the quick and efficient feeding of the ring frame bobbins, but also reduces the damage to the yarn during manual doffing & manual transportation and avoids mixing of yarns. In case of link coner the number of winding units provided, always match with the production of ring frame to which it linked.

## 11. Yarn Conditioning.

Saturated steam has optimum moisture content and very good heat conductor, hence it is most suitable for conditioning and steaming of Cotton Textiles. The m/c thermal conditioning process uses low temperature saturated steam in vacuum. The yarn is treated very gently under vacuum principle and an absolutely saturated steam atmosphere. The vacuum removes the air pockets from the yarn package and ensures accelerated steam penetration. It also removes the atmospheric oxygen to prevent oxidation. The m/c conditioning process makes use of physical properties of the saturated steam and moisture in the gas state is very finely distributed throughout the package and does not cling to the yarn in the form of drops. The uniform required level of moisture content in the yarn improves yarn strength and elongation, thus improvement in work capacity.

## 12. Packing

The yarn wound on paper tubes in the form of a cone is put on to the trolley and brought to the packing area. Here the cones are physically checked, cleaned, if required. The sticker containing details such as company name, count and type of the yarn, is put inside each cone. These cones are packed in polypropylene sacks or corrugated paper boxes or shrink-wrapped on pallets.

## 13. Automatic Waste Collection System.

Automatic centralized waste collection system for the blow room, cards and combers has been incorporated. This improves the performance of the machine and helps in eliminating contamination in the department as well as keeping the department clean and dust free. It will also contribute in achieving good quality of yarn and save the manual labour involved in handling the waste.

## FINANCIAL KPIs OF OUR COMPANY

Particulars	For the Year/period ended on			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations (₹ in Lakhs)	35,739.99	19,932.60	40,238.93	13,744.67
Growth in Revenue from Operations (YoY %)	-	-50.46%	192.76%	-
Gross Profit (₹ in Lakhs)	4,274.90	4,324.34	7,411.55	4,624.28
Gross Profit Margin (%)	11.96%	21.69%	18.42%	33.64%
EBITDA (₹ in Lakhs)	2,483.28	2,510.30	3,290.45	2,327.48
EBITDA Margin (%)	6.95%	12.59%	8.18%	16.93%

Particulars	For the Year/period ended on			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Profit After Tax (₹ in Lakhs)	801.98	601.56	765.74	228.28
PAT Margin (%)	2.24%	3.02%	1.90%	1.66%
RoE (%)	13.78%	11.76%	17.27%	5.82%
RoCE (%)	10.65%	8.46%	8.45%	5.37%
Net Fixed Asset Turnover (In Times)	4.91	2.51	4.44	1.32
Operating Cash Flows (₹ in Lakhs)	1,824.75	2,950.53	1,180.52	1,056.43

#### OPERATIONAL KPIs OF THE COMPANY

Particulars	For the Year/period ended on			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Cotton Yarn</b>				
Installed Capacity (In Kgs)	9,011,850	9,011,850	9,011,850	9,011,850
Actual Production (In Kgs)	6,318,541	7,099,541	8,284,153	6,461,079
Capacity Utilization (In %)	70.11%*	78.78%	91.93%	71.70%
<b>Value Addition Yarn</b>				
Installed Capacity (In Kgs)	13,579,500	9,011,850	9,011,850	0
Actual Capacity Utilization (In Kgs)	9,357,665	0	5,798,782	0
Capacity Utilization (In %)	68.91%*	0.00%	64.35%	0.00%
<b>Contribution to revenue from operations of top 1 / 3 / 5 / 10 customers</b>				
Top 1 Customers (%)	27.96%	18.80%	34.85%	25.95%
Top 3 Customers (%)	62.82%	42.73%	56.69%	42.80%
Top 5 Customers (%)	75.79%	57.82%	68.01%	50.26%
Top 10 Customers (%)	88.19%	82.68%	78.77%	61.99%

#### REVENUE BIFURCATION:

##### Product-wise Revenue from operations:

(₹ in lakhs)

Particulars	For the period / year ended							
	December 31, 2023	% of RFO	March 31, 2023	% of RFO	March 31, 2022	% of RFO	March 31, 2021	% of RFO
<b>(A) Sale of Goods</b>								
• Cotton Yarn	15,097.47	42.24	19,553.84	98.10	23,042.30	57.26	13,079.61	95.16
• Value Added Yarn	19,759.52	55.29	-	-	16,459.89	40.91	-	-
<b>(B) Trading of</b>								
• Cotton	3.73	0.01	14.65	0.07	73.07	0.18	43.86	0.32
• Fabric	549.89	1.54	-	-	-	-	-	-
<b>(C) Cotton Waste</b>	329.37	0.92	364.11	1.83	663.67	1.65	621.21	4.52
<b>Total</b>	<b>35,739.99</b>	<b>100.00</b>	<b>19,932.60</b>	<b>100.00</b>	<b>40,238.93</b>	<b>100.00</b>	<b>13,744.68</b>	<b>100.00</b>

##### Geography-wise Revenue from operations:

(₹ in lakhs)

Particulars	For the period / year ended							
	December 31, 2023	% of RFO	March 31, 2023	% of RFO	March 31, 2022	% of RFO	March 31, 2021	% of RFO
<b>Domestic Sales</b>								
• Gujarat	35,395.55	99.04	18,894.51	94.79	34,781.50	86.44	10,704.21	77.88
• Andhra Pradesh	14.29	0.04	-	-	-	-	-	-
• Dadra and Nagar Haveli	-	-	-	-	188.09	0.47	-	-
• Delhi	82.32	0.23	-	-	-	-	-	-
• Haryana	10.00	0.03	17.20	0.09	168.19	0.42	15.72	0.11
• Karnataka	54.01	0.15	-	-	-	-	-	-
• Madhya Pradesh	-	-	0.75	0.00	420.22	1.04	59.00	0.43
• Maharashtra	-	-	45.84	0.23	17.99	0.04	-	-
• Punjab	28.29	0.08	-	-	140.12	0.35	283.68	2.06
• Rajasthan	9.50	0.03	10.55	0.05	344.44	0.86	383.69	2.79
• Uttar Pradesh	12.36	0.03	-	-	8.68	0.02	-	-
• West Bengal	6.59	0.02	-	-	61.92	0.15	-	-
<b>Sales through Merchant Exporter (Deemed Export)</b>	127.08	0.36	963.75	4.84	3,979.04	9.89	2,237.42	16.28
<b>Export Sales</b>	-	-	-	-	-	-	-	-
• Bangladesh	-	-	-	-	128.73	0.32	-	-
• Thailand	-	-	-	-	-	-	60.94	0.44
<b>Total</b>	<b>35,739.99</b>	<b>100.00</b>	<b>19,932.60</b>	<b>100.00</b>	<b>40,238.93</b>	<b>100.00</b>	<b>13,744.67</b>	<b>100.00</b>

## OUR COMPETITIVE STRENGTH

### 1. Experienced Promoter and Management Team

Our promoter and Managing Director, Mr. Navin Saraogi has vast experience in the textile industry and has developed extensive expertise having engaged in the textile business for years. Now he has been joined by Mr. Aansh Rajesh Bindal who has Our Promoter led the company with his vision. Our management team includes qualified and experienced professionals having 20 years in the Textile Industry. The strength and entrepreneurial vision of our Promoters and management have been instrumental in driving steady growth of our company and implementing our strategies. We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage. Our motivated team of management and key managerial personnel complement each other to enable us to deliver high levels of client satisfaction.

### 2. Quality Standards

Our Company has always believed in the best quality in our processes and products. We have been certified Global Organic Textile Standard (GOTS) (Ver 6.0) certified for Greige Yarns, Warehousing, Spinning and Trading by IDFL Laboratory and Institute, Taiwan. Our Company is dedicated towards the quality of our products, processes and inputs. We adhere to quality standards as prescribed by our customers, which has given us a brand name among our customers.

### 3. Strong and diversified supplier base for sourcing raw materials

One of the critical factors to grow and develop in our business is the ability to source raw materials. The essential raw material used by our manufacturing facilities is raw cotton. Our Company has been procuring cotton yarn from Maharashtra, Gujarat, Madhya Pradesh, Rajasthan, Haryana, Punjab etc.

While we do not have any long-term contracts with any of our raw material suppliers, we have maintained long term relationships with most of our major suppliers. Production quantity and cost of our offerings are dependent on our ability

to source raw materials at acceptable prices and maintain a stable and sufficient supply of our raw materials. We believe our strong relationships with our raw material suppliers enable us to obtain such good quality of raw material.

#### **4. Optimal Utilization of Resources**

Our company constantly endeavours to improve our execution process, capabilities, skill up gradation of employees, modernization of plant and machineries to optimize the utilization of resources. We regularly analyse our material procurement policy and project execution process to de-bottle neck the grey areas and take corrective measures for smooth and efficient working thereby putting resources to optimal use.

#### **5. Long-standing relationships with our customers**

We believe that our reputation for completing orders in a timely manner and our focus on quality has helped us build strong relationships with our customers. We have completed or are currently undertaking orders for a number of reputed customers.

### **BUSINESS STRATEGY**

#### **1. Maintain and Expand Long-term Relationships with Customers**

Our Company believes that business is a by-product of relationships. The business model is based on Customers relationships that are established over a period of time rather than a project-based execution approach. Our Company believes that a long-term Customers relationship with large Customer fetches better dividends. Long-term relations are built on trust and continuous maintenance of the requirements of the customers. It helps understanding the basic requirements of our Company and its market. It also forms the basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

#### **2. Investing In Advanced Technology**

The technology used in the textile industry is continuously changing. New technologies are constantly being developed for the various processes of manufacturing. We have invested in the latest technology, Plant & Machinery and intend to continue upgrading our technology in the future to keep ourselves competitive and efficient.

#### **3. Leveraging our market skills and relationship**

The business of our Company is customer oriented and always strives to maintain good relationships with the marketers. Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our operations expertise as well as marketing skills and our industry relationships.

#### **4. Continue to build-up a professional organization**

We have a team of professionals and technocrats to look after various stages of production, commercial and marketing divisions of our Company. We believe in transparency, flow of information, and commitment to the work among our work force and with our valuable customers, suppliers, investors, government authorities, banks, financial institutions etc. Over a period of time, we have been able to build-up an image that can be matched with our peers. The philosophy of professionalism is the foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

#### **5. Compliance Management**

Compliance Management Framework ensures the fundamental approach to the corporate governance encompassing legal, safety, environmental and regulatory requirements. A continuous monitoring system is in place.

### **SWOT ANALYSIS**

A SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis is a useful tool for evaluating the overall position of a business in its market. For Siddhi Cotspin Limited, here is a snap of our analysis for prevailing market conditions.

**Strengths:**

- Extensive experience of Promoters in Textile industry
- Capability to manufacture diverse range of yarns
- Stringent Quality Control Mechanism ensuring standardized product quality
- Synergy of young and experienced management team with a committed employee base
- Easy availability of raw material i.e. cottons in local domestic market
- Eligible for Government incentive scheme

**Weaknesses:**

- Presence in competitive textile industry
- Cotton being a commodity product the fluctuation in price of cotton might affect production costs resulting into reduced profit margin.
- Sourcing of Raw Material at competitive rates to ensure minimum impact on production costs.

**Opportunities:**

- Production of Fancy yarns is a combination of art and science. There is lot of scope for the innovators to develop new products in Textiles using Fancy yarns.
- Apart from the Domestic market, Export of Fancy yarns, Fabrics and Garments is most likely to provide great business opportunities in the future.
- The yarn manufactured is value added yarn as compared to conventional yarn manufactured and sold in the textile market, corroborating the company's plan for targeting the sales market of its products thereby resulting into better profitability of the company.
- The savings made on direct double yarn and premium earned on the value added yarn will help our company to compensate for the slightly higher prices of machines from overseas suppliers.

**Threats:**

- Any adverse change in Government Policies/Regulations.
- Fluctuation in raw material prices.
- Low technology barrier which results into stiff competition and lower margins on product.
- Low product differentiation.

**PLANT AND MACHINERIES****List of equipment:**

MACHINERY ITEM NAME	COUNT OF ITEM NAME
Ring Frames	18
Trutz Blow Room Line -2 and TC10 Card - 21	2
Automatic Packing Winder Link Auto Coner	18

MACHINERY ITEM NAME	COUNT OF ITEM NAME
Sub/ Lycra Attachment	12
Roving Frames Zinser Speed 5M Flyer	6
Humidification Plant For Spinning, Dust And Waste Removal For Blowroom, Waste Collection System	3
Overhead Cleaner, Bts On Speed Fram & Ring Frames	18
Card CAN - 1000*1200 & 500*1200	2,600
Rocos Cards on 7 Machine	11,424
Control Panels And Electric Works	1
UPS Systems	1
Round Ducting H Plant Ducting , Material Transport Ducting And False Ceiling	1
Electrification Material And Equipment	1
Simplex Bobbin,Ring Tubes, Pp Cone	1
Spindle Online Monitoring System on 18 Ring Frames	18
Utility Equipments & Installations & Commission Exp	1
Multiclean Machinery	1
Water Cooler	1
Lab Instruments	1
R. O. Systems	1
Electronic Weighing Machine	5
Compressor	3
Pressure Boosting System With Tank	1
Fire Pump Set, Jockey Fire Pump, Diesel Engine Fire Pump Set	1
Transportation Trolley	3
Voltas Make 3 Ton Cap Diesel Forklift Model	2
The Double Cylinder Box Lifting Hydraulic Cylinder	1
C1 MM UDR Saphir 4/0 ISO 40.0	1
Card Room Accessories And Ring Frame Maintenance Accessories	1
Air Receiver Tank	2
The Combo Vetal Scan Cotton Contamination	4
Finger Prints Attendance Recording Machine	1
CCTV Camera	75
Plant & Machinery - Hi Tech Apparatus TFO M/C	1
Spare Parts Catalogue Nach, Waxplane, Component Carrier Etc.- Saurer Spinning Solution Gmbh	444
Bale Pressing Machine	1
Fork Lift	1
Truetzschier Draw Frame	2
Hi Tech Apparatus TFO M/C	1
Plant & Machinery Set- Perfect (Grinding, Clipping, Mounting)	1
Plant & Machinery- Premier	
CY Box Lifting Hydraulic Press (Premier)	1
Premier HFT LSMC (Cotton Testing Equipment)	1

MACHINERY ITEM NAME	COUNT OF ITEM NAME
Premier IQ (Evennes Tester)	1
Conditioning Machine- Sieger	1
Being Purchase Of Horizontal Lifeline, Vertical Lifeline Ladder (Bodyguard)	120
Plant & Machinery H Plant Truetzschler India Private Limited (Draw Frame And Can Charger)	2
Water Filtration Plant	1
Plant & Machinery-Solar 1mw	1 MW
Air Conditioner	4

Source: Based on Certificate issued by our Chartered Engineer S. K. Patel vide their certificate dated February 24, 2024.

#### CAPACITY AND CAPACITY UTILIZATION

Particulars	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Licensed capacity (Spindles No.)	30000 mt/month	30000 mt/month	30000 mt/month	30000 mt/month
Cotton Yarn - Installed capacity (in kgs per year)	90,11,850	90,11,850	90,11,850	90,11,850
Estimated production at 100% capacity utilization (in kg)	67,89,750	90,11,850	90,11,850	90,11,850
Value Added Yarn Capacity (in kg)	1,35,79,500	90,11,850	90,11,850	-
Installed capacity (No. of spindles)	29376 spindles	29376 spindles	29376 spindles	29376 spindles
Production of Cotton Yarn (in kg)	63,18,541	70,99,541	82,84,153	64,61,079
Production (Including Value Added Yarn) (in kg)	93,57,665	-	57,98,782	-
Capacity Utilization (%) of Cotton Yarn	93.06%	78.78%	91.93%	71.70%
Capacity Utilization (%) of Value Added Yarn	68.91	0.00%	64.35%	0.00%

\* Not Annualized

Source: Based on Certificate issued by our Chartered Engineer S. K. Patel vide their certificate dated February 24, 2024

#### COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

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

#### MARKETING & DISTRIBUTION

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our existing customers that are associated with our Company. Our team through their experience and good rapport with marketers, owing to timely and quality delivery of work orders, plays an instrumental role in creating and expanding a work platform for our company.

The senior management is actively involved in managing Customers relationships and business development through targeted interaction with multiple contacts at different levels. Our marketing team along with our Promoters through their experience

and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company.

In order to maintain good relations with our customers, our Promoters and our marketing team regularly interact with them and focus on gaining an insight into the additional needs of our customers. Our prime consideration for customer selection is timely payments and consistency in purchases.

We have adopted the direct customers approach and have also utilised the existing agent network of the Group for sale of our product.

## **END USERS**

The end users of cotton yarn can vary across different industries. Cotton yarn is commonly used in the textile and apparel industry for making various kinds of fabrics, gray cloth and denim. It is also used in the home furnishing industry for making curtains, drapes, and other fabric-based items. Additionally, cotton yarn is utilized in the crafting and DIY sector for knitting, crocheting, and other textile-based projects.

## **COMPETITION**

We operate in a highly competitive market and there are large numbers of players. Quality of service and price are the main factors for Customers in making decisions to have our services. We may face competition from our peers who have similar one or more divisions of our business. Competition emerges not only from small but also from big Regional and National and International players. Our experience in this business has enabled us to provide quality work in response to customer's demand for best quality. Moreover, there are minimal entry barriers in this industry and any expansion in capacity of existing producers would further intensify competition.

## **RAW MATERIAL**

The major raw material used in our manufacturing process is Raw Cotton, Cotton Yarn, Polyester Staple Fiber and Lycra.

### **1. RAW COTTON**

Raw cotton, also known simply as cotton or cotton fiber, is a natural fiber harvested from the cotton plant. Cotton has been cultivated for thousands of years and is one of the most widely used natural fibers in the world. Cotton is harvested from the cotton plant, primarily from the bolls which contain the cotton fibers. The harvesting process involves picking the bolls from the plants either by hand or by machine. After harvesting, raw cotton undergoes several processing steps to remove impurities and prepare it for use in textiles. These steps may include ginning, cleaning, carding, and spinning.

### **2. COTTON YARN**

Cotton yarn is a type of yarn made from cotton fibers. Cotton yarn is made from cotton fibers, which are harvested from the cotton plant's bolls. Cotton is one of the most widely used natural fibers in the world, known for its softness, breathability, and absorbency. Cotton yarn is known for its softness, breathability, and absorbency, making it suitable for a wide range of textile applications. It is comfortable to wear against the skin and is commonly used in clothing, bedding, towels, and other textiles.

### **3. POLYESTER STAPLE FIBER**

A staple fiber is a textile fiber of discrete length. A staple fibre is a non-continuous fibre of relatively short length. Because of their short length, staple fibres must be twisted together to form a long, continuous yarn. The opposite is a filament fiber, which comes in continuous lengths. Staple length is a characteristic fiber length of a sample of staple fibers. It is an essential criterion in yarn spinning, and aids in cohesion and twisting. Compared to synthetic fibers, natural fibers tend to have different and shorter lengths. The quality of natural fibers like cotton is categorized on staple length such as short, medium, long staple, and extra-long. *Gossypium barbadense*, one of several cotton species, produces extra-long staple fibers. The staple fibers may be obtained from natural and synthetic sources. In the case of synthetics and blends, the filament yarns are cut to a predetermined length (staple length).

### **4. LYCRA**

Lycra, also known as spandex or elastane, is a synthetic fiber known for its exceptional elasticity and stretchiness. Lycra is a segmented polyurethane-polyurea copolymer. It is composed of long-chain polymers with alternating rigid and flexible segments. The flexible segments allow the fiber to stretch significantly, while the rigid segments provide strength and durability.

India is a major cotton producer and is the third-largest cotton producer in the world, with the highest area under cultivation. India's cotton area accounts for about 25% of the global cotton area. Gujarat and Maharashtra belt is rich in black soil and it is a major production area of cotton. Gujarat produces about 35% of total cotton produced in India. In Gujarat state cotton is mainly grown in Himmatnagar, Rajkot, Jamnagar, Surendranagar and Junagadh. Our Company is very well connected by road to all the above locations. Hence we do not see any logistics problem in getting the timely delivery of the yarn. Further the factory site is well connected by road to the other cotton growing nearby states like Rajasthan, Maharashtra, M.P, Hariyana and Punjab.

We have not entered into a long term supply contract with our vendors. We have good relationships with our suppliers.

## **TECHNOLOGY**

We use information technology systems to enhance our performance and efficiency. We have in house accounting software for Accounting Record Keeping. We believe that this system allows us to streamline our processes while enhancing our monitoring and control functions.

## **UTILITIES AND WATER**

### **POWER**

We have made necessary arrangements for regular uninterrupted power supply at our Manufacturing plant we have 1 mega Watt solar at roof top and have 3000 KWA connected lot to UGVCL (Uttar Gujarat Vij Company Limited). For our Corporate Office Electricity is supplied by Torrent Power.

### **WATER**

The water consumption is required for humidification, sanitation and for drinking purpose. The actual production process does not require any water. The same is sourced from bore well.

## **LOGISTIC**

We rely on third party transporters for the delivery of our products to our customers and for procurement of Raw Materials from suppliers.

## **PACKING**

Fabric Manufactured by our company are cut in requisite length and width as per specifications of clients and are packed in Film rolls and Corrugated boxes.

## **HUMAN RESOURCES**

Human resources are an asset to any industry. We believe that our employees are the key to the success of our business. Our manpower is a prudent mix of experienced and young personnel which gives us the dual advantage of stability and growth. As on December 31, 2023 we have a total 353 Employees.

Bifurcation of employees is provided below:

<b>Sr. No.</b>	<b>Category of Employees</b>	<b>No. of Employees</b>
1.	Director	2
2.	Unit Head	3
3.	Manager	7
4.	Technical Staff	13
5.	Admin Staff	29
6.	Skilled Labour	190
7.	Spinning Production	22
8.	Unskilled Labour	43
9.	Maintenance	30
10.	Utility	14
	<b>Total</b>	<b>353</b>

## **EXPORTS & EXPORTS OBLIGATIONS**

Following are the details of exports and Export Obligation for the period ended on December 31, 2023 and preceding three financial years are as follows

### Exports

Following are the details of Export made by our company during the financial years 2022-23, 2021-22, 2020-21, and the stub period ended on December 31, 2023:

Particulars	For the period / year ended							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Sales	% of Total Sales	Sales	% of Total Sales	Sales	% of Total Sales	Sales	% of Total Sales
Domestic Sales	35,612.91	99.64%	18,968.85	95.16%	36,131.16	89.79%	11,446.31	83.28%
Deemed Export	127.08	0.36%	963.75	4.84%	3,979.04	9.89%	2,237.42	16.28%
Export Sales	0.00	0.00%	0.00	0.00%	128.73	0.32%	60.94	0.44%
<b>Total</b>	<b>35,739.99</b>	<b>100%</b>	<b>19,932.60</b>	<b>100%</b>	<b>40,238.93</b>	<b>100%</b>	<b>13,744.67</b>	<b>100%</b>

### Export Obligations as on December 31, 2023

Our company has an export obligation. We have imported certain capital goods at concessional duty under various licenses as part of the Export Promotion Capital Goods (EPCG) scheme, through which we have availed duty concession on the purchase of plant & machinery. Consequently, we are obligated to export products within a period of 6 years from the date of issue of the Authorization Number specified in the EPCG License.

Obligation under	Amount (in Rs Lakhs)
EPCG Scheme	244.71
Custom Duty Against Export Obligation	40.78

(Source: based on Certificate issued by Peer Review Auditors, M/s. JPMK and Co. dated April 10, 2024)

### **INTELLECTUAL PROPERTIES**

At present, we do not have any Trade Mark Registered in our Company's name. However, we have applied for registration of trade marks as per the details given under the heading "Material Licences and Approvals Applied for by the Company" in this Chapter. We have applied Following are the details of the Trademarks A in the name of our company, in India:

Sr. No.	Brand Name/Logo Trademark	Class	Trademark Type	Registration / Application No.	Date of Application	Current Status
1.	Word Mark "SIDDHI COTSPIN"	23	WORD	9642025	December 04, 2023	"Objected" Company has submitted its reply to the Examination Report on January 03, 2024
2.	Device Mark 	23	DEVICE	9642597	December 04, 2023	"Objected" Company has submitted its reply to the Examination Report on January 03, 2024

### **DOMAIN NAME**

Sr. No.	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name	Creation Date	Registry Expiry Date
1.	siddhicotspin.com	146	GoDaddy.com, LLC	June 09, 2018	June 09, 2024

### **IMMOVABLE PROPERTIES**

Our company does not own any Immovable Property.

The Details of the Immovable properties taken on lease / rent basis are given below:

<b>Sr. No.</b>	<b>Name of Lessor</b>	<b>Name of Lessee</b>	<b>Address of Property</b>	<b>Usage Purpose</b>	<b>Area (Sq Mtr)</b>	<b>Rent</b>	<b>Tenure</b>
1.	Dholi Integrated Spinning Park Limited	Siddhi Cotspin Private Limited	Block No. 279 and 280, Dholi Integrated Spinning Park, Village Dholi, Taluka Dholka, District Ahmedabad.	Manufacturing Unit – Registered Office Factory	34895.04	Rs.17448 per annum	99 years with effect from March 23, 2017
2.	Aansh Bindal	Siddhi Cotspin Private Limited	322, Swaminarayan Plaza-1, Near Narol Circle, Beside Gokulesh Petrol Pump, Narol, Ahmedabad - 382405	Corporate Office	103.43	Rs.20,000 per month	11 months with effect from February 01, 2024

## DETAILS OF INDEBTEDNESS

The details of facilities availed from Banks are as follows. For more details of other indebtedness please refer “*Restated Financials Information*” beginning from page no. 163 of Draft Red Herring Prospectus.

Sr. No.	Lender	Nature of Facility	Sanctioned Loan ₹ in lakhs	Outstanding as on December 31, 2023	Rate of Interest/ Margin	Repayment Terms	Security/ Principal terms and conditions	Collateral Security/ other Condition
1.	State Bank of India	Cash Credit	2,000.00	1,999.98	9.55%	12 months	Primary Security as under: Hypothecation & 1 <sup>st</sup> Pari-passu charge on all the Current Assets of the Company including RM, SIP, FG, receivables (Stock & Receivables) acquired or to be acquired by the Company	Collateral Security as under:  Equitable Mortgage and Pari-passu 1 <sup>st</sup> and 2 <sup>nd</sup> charge: Bunglow No 20, Mangalyam Society, Nr. Ocean Park, Nehru Nagar, Satellite, Ahmedabad, 380015  Equitable Mortgage and Pari-passu 1 <sup>st</sup> and 2 <sup>nd</sup> charge: A-21, Riviera Heights, Prahladnagar Road, Vejalpur, Ahmedabad, 380015  Personal Guarantee of Mr. Sanjay Bindal Mr. Navin Saraogi Mr. Ved Prakash Chiripal Mrs. Kavita Saraogi Mrs. Pushpa Bindal
		Guaranteed Emergency Credit Line (GECL 2.0)	396.00	221.92	9.25%	12 months	Pari-passu second charge on all the Current Assets of the Company including RM, SIP, FG, receivables (Stock & Receivables) acquired or to be acquired by the Company	
2.	Punjab National Bank	Term Loan-I	2900.00	1092.03	ROI: 9.55%	12 months	First and exclusive charge on lease hold rights of Factory land & Building Survey no-279 admeasuring 81848 sq. mtrs. paiki 21910.24 mtrs and survey no 280 admeasuring 16592	Collateral Security as under:  1 <sup>st</sup> Pari-passu charge by way of registered mortgage on following: Residential Bunglow No 20,
		Term Loan-II	2,400.00	914.74	ROI: 9.55%	12 months		

Sr. No.	Lender	Nature of Facility	Sanctioned Loan ₹ in lakhs	Outstanding as on December 31, 2023	Rate of Interest/ Margin	Repayment Terms	Security/ Principal terms and conditions	Collateral Security/ other Condition
							sq. mtrs paiki 12984.80 sq mtrs at Dholi Integrated Spinning Park, Village-Dholi, Taluka Dholka, Dist-Ahmedabad.  First and exclusive charge on fixed assets of the project.	Mangalyam Society, Nr. Ocean Park, Nehru Nagar, Satellite, Ahmedabad, 380015 & Flat no A-21, Riviera Heights, Prahladnagar Road, Vejalpur, Ahmedabad, 380015
		GECL 2.0 Sanctioned on 06.03.21	225.00	126.56	Subject to max ROI: 9.25%	12 months	First Pari-Pasu charge on entire current assets of the company (present and future) including stock of raw material, stock in process, finished goods, consumables, receivables, stores and spares etc.	Fixed Deposit of Rs.50 lakhs
		GECL 2.0 Ext. Sanctioned on 01.11.21	1,160.00	1111.66	Subject to max ROI: 9.25%	12 months		Personal/Corporate Guarantee of Mr. Sanjay Bindal Mr. Navin Saraogi Mr. Ved Prakash Chiripal Mrs. Kavita Saraogi Mrs. Pushpa Bindal
		Cash Credit	700.00	699.72	ROI: 9.65%	12 months		
		Bank Guarantee	100.00	90.65	Margin 10%			
3.	Canara Bank	Cash Credit	400.00	399.26	9.25%	12 months	Paripassu 1 <sup>st</sup> charge with hypothecation with other WC lenders: Hypothecation of Stocks and Book Debts of the company	Collateral Security as under:  1 <sup>st</sup> Pari-passu charge with other lenders: EMT of Land and building, admeasuring 510.60 square meters, situated at 20, Mangalyam Society, Nr. Ocean Park, Nehru Nagar, Satellite, Ahmedabad, 380015 standing in the name of Smt. Pushpa Premchand Bindal &
		GECL	770.00	449.16	9.25%	12 months		
		GECL Ext.	385.00	384.54	9.25%	12 months		
		Bank Guarantee	300.00	252.00	—	—	—	

Sr. No.	Lender	Nature of Facility	Sanctioned Loan ₹ in lakhs	Outstanding as on December 31, 2023	Rate of Interest/ Margin	Repayment Terms	Security/ Principal terms and conditions	Collateral Security/ other Condition
								<p>EMT of Property situated at Flat no A-21, Riviera Heights, Prahladnagar Road, Vejalpur, Ahmedabad, 380015 in the name of Smt. Kavita Saraogi &amp; Term Deposit in the name of the company.</p> <p>Personal/Corporate Guarantee of Mr. Sanjay Bindal Mr. Navin Saraogi Mr. Ved Prakash Chiripal Mrs. Kavita Saraogi Mrs. Pushpa Bindal</p>

(Source: based on Certificate issued by Peer Review Auditors, M/s. JPMK and Co. dated April 29, 2024)

## INSURANCE

Presently, our company has following Insurance Policies:

Sr. No.	Name of the Insurance Company	Name of the Insured	Type of policy	Validity Period	Description of cover under the policy	Policy No.	Sum Assured	Premium Paid
1.	The New India Assurance Company Limited (Coinsurance with SBI General)	Siddhi Cotspin Private Limited	Standard Fire & Special Perils Policy	From: 25/09/2023 12:00:01 AM To: 24/09/2024 11:59:59 PM	<p>Building (Building including Plinth &amp; Foundation, Compound Wall, Gate, Internal Roads, Drainage System, Godown area, labour colony etc and such other civil work in the premises etc.)</p> <p>Stock (Stock of Every Description including stock &amp; stock in Process, FG, WIP, Cotton, Yarn, RM, PM,</p>	22220011230100000026	<p>45,64,05,622</p> <p>30,00,00,000</p>	29,73,749

Sr. No.	Name of the Insurance Company	Name of the Insured	Type of policy	Validity Period	Description of cover under the policy	Policy No.	Sum Assured	Premium Paid
	Insurance Co. Ltd.)				Spares, Stores, Consumables etc of any type pertaining to insured's trade lying anywhere in the premises including in open Stock of Finished Good: stock of unfinished goods, Stock of Semi Finished goods anything related to insureds trade, and Other Contents, Including stock laying in open and Held In Trust Clause, Etc)			
					P&M (Plant & Machinery including Electrical installations, Electrification, Electric Fittings, moulds, plans, patterns, designs etc and all other factory equipments Pipes and cables and the Pipes/Cables outside the Premises connected to the Premises including common utilities Including Held In Trust Clause etc		1,33,36,66,198	
					Furniture, Fixtures, Fittings, computers, office equipments and all other misc contents including held in trust clause etc.		87,97,178	
2.	The New India Assurance Company Limited	Siddhi Cotspin Limited	Marine Cargo Annual Turnover Policy	03/04/2024 12:19:15 PM to 02/04/2025 11:59:59 PM	All incoming and outgoing material/ goods related to Insured trade to include all raw materials, spares, abrasives, semi-finished goods including yarn, cotton etc. and any type of material pertaining to insured trade etc.	22220021230500000002	200,00,00,000	2,47,801
3.	The New India Assurance Company Limited (Coinsurance with SBI)	Siddhi Cotspin Private Limited	Burglary Insurance (Single Location) Policy	From: 25/09/2023 12:00:01 AM To: 24/09/2024 11:59:59 PM	Stock including Stock-in Process, Finished Goods, Cotton, Yarn, Raw Material, Spares etc.	22220046230100000046	30,00,00,000	42,480

Sr. No.	Name of the Insurance Company	Name of the Insured	Type of policy	Validity Period	Description of cover under the policy	Policy No.	Sum Assured	Premium Paid
	General Insurance Co. Ltd.)							
4.	Raheja QBE General Insurance Company Limited	Siddhi Cotspin Private Limited	Employee's Compensation Insurance Policy	09/12/2023 To: 08/12/2024	Estimated number of employees: 333	020W002010600000	Declared Wages during the Period of Insurance: 67,785,204	79,985.99

## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Draft Red Herring Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.*

*Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, and intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for professional legal advice.*

### APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 184 of this Draft Red Herring Prospectus.

### APPLICABLE LAWS AND REGULATIONS

#### BUSINESS AND/OR KEY INDUSTRY AND/OR TRADE RELATED LAWS AND REGULATIONS:

##### ENVIRONMENTAL LEGISLATIONS:

##### **The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986**

The Environment Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures such as plants, micro-organisms and property. Further, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects.

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

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

1. Conservation of Critical Environmental Resources
2. Intra-generational Equity: Livelihood Security for the Poor
3. Inter-generational Equity
4. Integration of Environmental Concerns in Economic and Social Development
5. Efficiency in Environmental Resource Use
6. Environmental Governance
7. Enhancement of resources for Environmental Conservation.

##### **Air (Prevention and Control of Pollution) Act, 1981**

Air (Prevention and Control of Pollution) Act 1981 (-the Act) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control areas and also prohibits the use of certain types of fuels and appliances.

Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

#### **Water (Prevention and Control of Pollution) Act, 1974**

The Water (Prevention and Control of Pollution) Act, 1974 (-the Act) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

### **EMPLOYMENT AND LABOUR LAWS**

#### **The Factories Act, 1948**

The Factories Act, 1948, as amended, defines a “factory” to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

#### **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 requires establishments that employ or have employed on any day in the preceding twelve months, twenty or more workers as contract labour to be registered. The Act requires the principal employer of an establishment to which the Contract Labour Act applies to make an application for registration of the establishment to employ contract labour in the establishment. Contractor to whom the Contract Labour Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The Contract Labour Act imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities and provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time.

#### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This law is applicable to all the establishments employing five or more migrant workmen from other states. In addition to this, this law is also applicable to contractors who have employed five or more inter-State workmen. The establishment must be registered with the local authority while employing migrant workers. This means that an establishment is prohibited from employing migrant workers from other states if they do not have a certificate from the concerned authority. The same law applies to the contractors too who employ workers from one state and deploy them in other states. As per this law, the contractors deploying the migrant workers must provide terms and conditions of the recruitment to the workers. These are the remuneration payable, hours of work, fixation of wages and other essential amenities.

#### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the “Act”)**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

#### **Child Labour (Prohibition and Regulation) Act, 1986 (the “CLPR Act”)**

The “CLPR Act seeks to prohibit the engagement of children in certain occupations and to regulate the conditions of work of children in certain other occupations. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

#### **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s)

responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made thereunder.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

### **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. The ID Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provides for the constitution of grievance settlement machineries in any establishment having twenty or more workers.

### **Trade Unions Act, 1926**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### **Industrial Employment (Standing Orders) Act, 1946 (the “Standing Orders”)**

The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments so as to minimize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial employment. The highlights of the Standing Orders such as classification of workmen, manner of intimation to workers about work and wage related details. Attendance and conditions for leaves, conditions of termination of employment and means of redressal for workmen in different matters.

### **Employee’s Compensation Act, 1923**

The Employees’ Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees’ Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees’ Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

### **Employee's State Insurance Act, 1948**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employers and employees both are required to make contributions to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **Employee's Provident Fund and Miscellaneous Provisions Act, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

### **Maternity Benefit Act, 1961**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

### **The Public Liability Insurance Act, 1991 and the Public Liability Insurance Rules, 1991**

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 mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

### **Employees' Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to the Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

### **The Employees' Pension Scheme, 1995**

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is a member of EPF or PF has an option of joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of all the employees who are members of the fund.

## **Legal Metrology Act, 2009 (the “LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (the “LM Rules”)**

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act provides for inter alia standard weights and measures and requirements for verification and stamping of weight and measure. LM Rules inter alia provide that certain commodities shall be packed for sale, distribution and delivery in standard quantities as laid down under the LM Rules. LM Rules also provide for declarations that must be made on packages, where those declarations should appear on the package and the manner in which the declaration is to be made.

## **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees; Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, Micro enterprise, where the investment in equipment does not exceed ten lakh rupees, Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

## **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

### **Shops and Establishments laws in various states**

As per the provisions of local Shops and Establishments laws applicable in the State of Gujarat, 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.

### **Stamp Act in various states**

The purpose of the Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the states. Therefore, the State Government of Gujarat is empowered to prescribe or alter the stamp duty as per their need.

### **Professions, Trade, Callings and Employments Act in various states**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of Gujarat is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the income of individuals, profits of business or gains of vocations. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such persons before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such persons and employer has to obtain the registration from the assessing authority in the prescribed manner.

## **GENERAL CORPORATE**

### **Companies Act, 2013**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of the President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private companies into public companies and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

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

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

### **The Registration Act, 1908**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

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

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

### **The Specific Relief Act, 1963**

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

### **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheques not being honored by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

## **TAX RELATED LEGISLATIONS**

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

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company which is assessed to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

### **Central Goods and Services Tax Act, 2017**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

## **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made thereunder 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 required to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

## **EMPLOYMENT AND LABOUR LAWS' CODIFICATION**

### **The Code on Wages, 2019 (the "Code")**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allows the Central Government to set a minimum statutory wage.

### **Occupational Safety, Health and Working Conditions Code, 2019**

The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume 13 labour 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, that concern our business.

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

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

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

The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume nine separate 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 and the Payment of Gratuity Act, 1972.

## **INTELLECTUAL PROPERTY RIGHTS**

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights.

**The Trade Marks Act, 1999 ("Trade Marks Act")** The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

### **Copyright Act, 1957 ("Copyright Act")**

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, “Copyright Laws”) governs copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programmes, tables and compilations including computer databases. Computer programme constitutes a literary work under Indian law and is afforded copyright protection and the owner of such computer programme becomes entitled to protect his works against unauthorized use and misappropriation of the copyrighted work or a substantial part thereof. Any act of this nature entitles the copyright owner to obtain relief from a court of law including injunction, damages and accounts of profits. Further, copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work and once registered, copyright protection remains valid until expiry of sixty years from the demise of the author. Reproduction of a copyrighted computer programme for sale or hire or trade exhibit in public or distribution or commercial rental, offer for sale or commercial rental, issuing copy(ies) of the computer programme or making an adaptation of the work without consent of the copyright owner amounts to infringement of the copyright. However, the Copyright Act prescribes certain fair use exceptions which permit certain acts, which would otherwise be considered copyright infringement.

### **The Patents Act, 1970**

The Patents Act, 1970 (“Patents Act”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee. While the Patents Act prohibits patentability of a ‘computer programme’ as such, computer programmes in combination with novel hardware could be considered patentable depending on the substance of the invention and applicable provisions of the Patents Act. Computer programmes on their own are excluded from patent protection and are protected as a literary work under the Copyright Laws. In terms of the Patent Act, the patentee holds the exclusive right to prevent third parties from the using, offering for sale, selling or importing for such purposes, the patented product or product obtained directly by a process patented in India.

## **FOREIGN INVESTMENT LAWS**

### **Foreign Trade (Development and Regulation) Act, 1992**

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

### **Foreign Exchange Management Act, 1999 & Rules thereunder**

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not

exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid-up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 per cent of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

#### **The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974**

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

#### **Foreign Direct Investment**

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

### **ANTI-TRUST LAWS**

#### **Competition Act, 2002**

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

### **GENERAL LAWS**

Apart from the above list of laws, which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Consumer Protection Act 2019, Transfer of Property Act, 1882, Information Technology Act, 2000 etc.

## HISTORY AND CORPORATE STRUCTURE

Our Company was originally formed and registered as a Private Limited under the Companies Act, 2013 (“Companies Act”) under the name and style of “Siddhi Cotspin Private Limited”, pursuant to a Certificate of Incorporation dated November 23, 2015 issued by Registrar of Companies, Gujarat. Later on, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on January 29, 2024 and the name of our Company was changed to “Siddhi Cotspin Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated February 12, 2024 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U17123GJ2015PLC085135.

Our company is benefited from the extensive experience of our Promoter and Managing Director, Mr. Navin Saraogi who is associated with our company since the incorporation and having experience of more than 20 (Twenty) years in the textile industry. Our Board of Directors and other Key Managerial Personnel has also provided significant contribution in the growth of our company.

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. We have set up a Greenfield project of manufacturing value added and specialty cotton yarn at Unit No.13, Sub Plot No. 18, Survey No. 279 & 280, Village Dholi, Taluka Dholka, District Ahmedabad, Gujarat – 382240, with a total spinning capacity of 29,376 spindles. There are 18 Ring Frames of 1632 spindles each. The installed unit is capable of producing cotton yarn including value added yarns. Our current capacity for producing Cotton Yarn is 90,11,850 Kgs.

Our Manufacturing facility is equipped with modern and automatic plant and machinery. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team in spinning is well equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn. Technology is a crucial aspect of the cotton yarn industry. Our experienced team of technicians and operators ensure that every batch of cotton yarn produced meets the highest quality parameters. We have implemented a comprehensive quality management system that covers every stage of production. We conduct rigorous testing and inspection of raw materials, intermediate products and final yarns to ensure they meet the specified standards. We are committed to sustainable manufacturing practices and environmental responsibility. Our processes are designed to minimize waste, conserve energy and reduce the environmental impact. We have built strong relationship with a diverse range of clients, including textile manufacturers, garment exporters and distributors. Our emphasis on quality, reliability and timely delivery has helped us establish long term partnerships with our customers.

We are manufacturing various value added cotton yarns like Compact Carded Hosiery, Compact Combed Hosiery, Compact Carded Weaving, Compact Comb Weaving, Carded Weaving, Combed Weaving, Carded Hosiery, Combed Hosiery, Eli KW, Eli CW, Slub Yarn, Siro Slub Yarn, CSY-Lycra-Core Spin Yarn (Spandex), TFO Yarn - Double etc.

### REGISTERED OFFICE

Registered Office of the Company is presently situated at Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat-382240 and the Company is maintaining its books of accounts at 322, 3rd Floor, Swaminarayan Plaza -1 Nr. Gokulesh Petrol Pump Narol, Ahmedabad, Gujarat-382405 The Registered office of our Company has been changed once since incorporation, details of which are given hereunder:

Date of Change of Registered Office	Registered Office		Reason
On Incorporation	322, Swaminarayan Plaza-1, Nr. Gokulesh Petrol Pump, Nr. Narol Circle, Narol, Ahmedabad, Gujarat-382405.		Not Applicable
	Changed From	Changed to	
August 20, 2021	322, Swaminarayan Plaza-1, Nr. Gokulesh Petrol Pump, Nr. Narol Circle, Narol, Ahmedabad, Gujarat-382405	Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat-382240	Administrative Convenience

### KEY AWARDS, CERTIFICATIONS, ACCREDITATIONS AND RECOGNITIONS

For Key Awards, Certifications, Accreditations please refer to the section “Business Overview” on Page no 109 of this Draft Red Herring Prospectus.

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

#### NAME CLAUSE

The following changes have been made in the Name Clause of our Company since its inception.

Date of Approval of Shareholders	Particulars	Reason
On Incorporation	“Siddhi Cotspin Private Limited”	Not Applicable
February 12, 2024	The name of our Company changed from “Siddhi Cotspin Private Limited” to “Siddhi Cotspin Limited.”	Conversion from private limited to public limited

#### **AUTHORIZED CAPITAL**

The following changes have been made in the Authorized Capital of our Company since inception:

Date of Amendment	Particulars
On Incorporation	Authorized Capital of ₹ 1.00 Lakhs Divided into 10000 (ten Thousand) Equity Shares of ₹ 10/- each.
March 12, 2016	The Authorised Share capital increased from ₹ 1.00 Lakh Divided into 10000 (Ten Thousand) equity shares of ₹ 10/- each to ₹ 150.00 Lakhs Divided into 15,00,000 (Fifteen Lakhs) Equity Shares of ₹10/- each.
September 30, 2016	The Authorised Share capital increased from ₹ 150.00 Lakhs Divided into 15,00,000 (Fifteen Lakhs) Equity Shares of ₹10/- each to ₹ 450.00 Lakhs consisting of 45,00,000 (Forty-Five Lakhs) Equity Shares each of ₹ 10/-each.
March 24, 2017	The Authorised Share capital increased from ₹ 450.00 Lakhs Divided into 45,00,000 (Forty-Five Lakhs) Equity Shares of ₹10/- each to ₹ 490.00 Lakhs consisting of 49,00,000 (Forty-Nine Lakhs) Equity Shares of ₹ 10/- each.
March 28, 2017	The Authorised Share capital was reclassified from 490.00 Lakhs consisting of 49,00,000 (Forty Nine Lakhs) Equity Shares of ₹ 10/- each to 462.50 Lakhs consisting of 46,25,000 (Forty Six Lakh Twenty Five Thousand) Equity Shares of ₹ 10/- each and 27.50 Lakhs consisting of 2,75,000 (Two Lakh Seventy Five Thousand) Preference Shares of ₹ 10/- each
August 07, 2020	The Authorised Share capital was reclassified from 490.00 Lakhs consisting of 49,00,000 (Forty-Nine Lakhs) Equity Shares of ₹ 10/- each to 456.50 Lakhs consisting of 45,65,000 (Forty Five Lakh Sixty Five Thousand) Equity Shares of ₹ 10/- each and 33.50 Lakhs consisting of 3,35,000 (Three Lakh Thirty Five Thousand) Preference Shares of ₹ 10/- each
December 21, 2023	The Authorised Share capital was reclassified from 45,65,000 (Forty Five Lakh Sixty Five Thousand) Equity Shares of ₹ 10/- each and 33.50 Lakhs consisting of 3,35,000 (Three Lakh Thirty Five Thousand) Preference Shares of ₹ 10/- each to 490.00 Lakhs consisting of 49,00,000 (Forty Nine Lakhs) Equity Shares of ₹ 10/- each
January 03, 2024	The Authorised Share capital increased from ₹ 490.00 Lakhs Divided into 49,00,000 (Forty Nine Lakhs) Equity Shares of ₹10/- each to ₹ 2,490.00 Lakhs consisting of 2,49,00,000 (Two Crore Forty Nine Lakhs) Equity Shares of ₹ 10/- each.

#### **MAJOR EVENTS**

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

Year	Key Events/Milestone/ Achievement
2015-2016	Our Company was incorporated as a private limited company under the name “Siddhi Cotspin Private Limited”
2021-2022	Our Company has achieved Milestone of ₹ 400 Crore from Revenue from Operations
2023-2024	Our Company was converted into Public Limited Company under the name of “Siddhi Cotspin Limited”

#### **OTHER DETAILS REGARDING OUR COMPANY**

For information on our activities, services, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled “*Business Overview*”, “*Industry Overview*” and

“Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page nos. 109, 96 and 165 respectively of this Draft Red Herring 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 page nos. 145 and 57 respectively of this Draft Red Herring Prospectus.

#### **RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT**

For details regarding our capital raising activities through equity or debt, please see the section entitled “Capital Structure” and “Restated Financial Information” on page nos. 57 and 163 respectively of this Draft Red Herring Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS AND CONVERSION OF LOANS INTO EQUITY**

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

#### **SUBSIDIARIES/HOLDINGS AND JOINT VENTURES OF THE COMPANY**

Our Company does not have any Subsidiaries/Holdings and Joint Ventures as on date of filing Draft Red Herring Prospectus;

#### **INJUNCTION AND RESTRAINING ORDER**

Our Company is not under any injunction or restraining order, as on the date of filing of this Draft Red Herring Prospectus.

#### **MANAGERIAL COMPETENCE**

For managerial Competence, please refer to the section “Our management” on page no. 145 of this Draft Red Herring Prospectus.

#### **MATERIAL ACQUISITIONS / AMALGAMATIONS / MERGERS/ REVALUATION OF ASSETS/DIVESTMENT OF BUSINESS/UNDERTAKING IN LAST TEN YEARS**

There has been no Material Acquisitions/Amalgamations/Mergers/Revaluation of Assets/Divestment of Business/Undertaking in the last ten years.

#### **TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY**

As on the date of filing of this Draft Red Herring Prospectus, the total numbers of equity shareholders are 10 (Ten). For more details on the shareholding of the members, please see the section titled “Capital Structure” at page no. 57 of this Draft Red Herring Prospectus.

#### **MAIN OBJECTS AS SET OUT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

*To carry on business in India or abroad and to act as manufacturer, broker, trader, agent, C & F agent, distributor, representative, stockiest, job worker, commission agent, and do all activities connected to carry out processing, producing, spinning, weaving, blending, sorting, buying, selling, importing, exporting, dealing, marketing, crimping, texturising, twisting, carding, combing, dyeing, printing or supplying all kinds of cotton, blended and synthetic yarn and cloth, all types of natural and synthetic yarns and fabrics made of materials such as cotton, flax, hemp, linen, wool, nylon, viscose, ramie, polyester, silk, artsilk, tureen, jute, staple fibers, cashmilon, filaments, terecotton, comofilaments, acrylics, polynosic, polypropylene, polyamide, polymethane, cellulose, dropping, spun, rayon, synthetic fibers, worsted, wool, and other fibre materials, and other goods or merchandise whether textile felted, netted or looped or other fibrous substances or any combination thereof.*

#### **SHAREHOLDERS AGREEMENTS**

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

#### **OTHER AGREEMENTS**

As on the date of this Draft Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered as on the date of this Draft Red Herring Prospectus.

#### **JOINT VENTURE AGREEMENTS**

Our Company has not entered into any joint venture agreement as on the date of this Draft Red Herring Prospectus.

#### **COLLABORATION AGREEMENTS**

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

#### **STRATEGIC PARTNERS**

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

#### **FINANCIAL PARTNERS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 2 and not more than 15. Our Company currently has five (5) directors on our Board, of which two (2) Directors are Executive directors and the rest of the three (3) Directors are Independent Directors.

Mr. Navin Saraogi	Chairman & Managing Director
Mr. Aansh Rajesh Bindal	Whole-Time Director
Ms. Drashti Laxmikant Solanki	Independent Director
Mr. Sumit Jayantibhai Patel	Independent Director
Mr. Aayush Kamleshbhai Shah	Independent Director

The Following table sets forth details regarding the Board of Directors as on the date of this Draft Red Herring Prospectus.

<b>Mr. Navin Saraogi</b>	
Father's Name	Mr. Sushil Saraogi
DIN	00623331
Date of Birth	May 06,1978
Age	45 Years
Designation	Chairman & Managing Director
Status	Executive
Qualification	He holds the degree of Bachelor of Engineering in Mechanical from Pune University.
No. of Years of Experience	He has more than 20 years of experience in the textile industry.
Address	A-21, Rivera Heights B/H Shrnem-10, Prahladnagar Satellite, Manekbag Ahmedabad, Gujarat - 380015
Occupation	Businessman
Nationality	Indian
Date of Appointment	Initially, he was appointed as an Executive Director of the Company since incorporation of the company i.e., November 23, 2015. Thereafter pursuant to the approval of members in the Extra Ordinary General Meeting held January 08, 2024 his designation was changed from Executive Director to Managing Director of the Company w.e.f. January 08, 2024. He was appointed as Chairman of the company w.e.f. March 28, 2024.
Term of Appointment and date of expiration of current term of office.	He holds office for the period of 5 (Five) years w.e.f. January 08, 2024 and is liable to retire by rotation.
Other Directorships/ Designated Partner	Dholi Speciality Private Limited Agarwal Denim Private Limited Shivtex Spinning Private Limited Shivhari Chemicals Private Limited* United Tex Chem Solutions Private Limited Unitex Chemicals Private Limited Shivtech Steel Private Limited* Siddhi Weaves Private Limited Basant Texfab Private Limited Goodwill Landcon LLP Shreesh Infrastructure LLP

*\*The company is under the process of Strike off*

<b>Mr. Aansh Rajesh Bindal</b>	
Father's Name	Mr. Rajesh Premchand Bindal
DIN	10432834
Date of Birth	August 20, 2001

<b>Mr. Aansh Rajesh Bindal</b>	
Age	22 Years
Designation	Whole Time Director
Status	Executive
Qualification	He holds the degree of Bachelor of Science in Business Management from University of Lancaster.
No. of Years of Experience	He is a fresher completed Bachelor of Science in Business Management.
Address	10, Mangalyam Society, Near Ocean Park, Satellite Road, Ahmedabad, Gujarat-380015,
Occupation	Business
Nationality	Indian
Date of Appointment	He was appointed as an Executive Director of the Company w.e.f December 21, 2023. Thereafter pursuant to the approval of members in the Extra Ordinary General Meeting held January 08, 2024 his designation was changed from Executive Director to Whole Time Director of the Company w.e.f. January 08, 2024.
Term of Appointment and date of expiration of current term of office.	He holds the Office for a Period of 5 (Five) Years w.e.f. January 08, 2024 and is liable to retire by rotation.
Other Directorships/Designated Partner	Nil

<b>Ms. Drashti Laxmikant Solanki</b>	
Father's Name	Mr. Laxmikant Narsibhai Solanki
DIN	10136197
Date of Birth	January 18, 1994
Age	30 Years
Designation	Independent Director
Status	Non-Executive
Qualification	She holds the degree of Company Secretary from the Institute of Company Secretaries of India. She also holds the degree of Bachelor of Laws from Gujarat University.
No. of Years of Experience	She has more than 7 years of experience in the field of corporate law and compliance in various companies.
Address	Plot No. 821/2, Sector-7/C, Gandhinagar, Gujarat – 382 007
Occupation	Professional
Nationality	Indian
Date of Appointment	She was appointed as an Independent Director of the company for a period of 3 (Three) years w.e.f January 08, 2024
Term of Appointment and date of expiration of current term of office.	She holds the Office for a Period of 3 (Three) Years w.e.f. January 08, 2024 and is not liable to retire by rotation.
Other Directorships/Designated Partner	Virtuoso Optoelectronics Limited 3B Films Private Limited Chavda Infra Limited Kalahridhaan Trendz Limited Astron Multigrain Limited

<b>Mr. Sumitkumar Jayantibhai Patel</b>	
Father's Name	Mr. Jayantibhai Ganeshbhai Patel
DIN	08206567
Date of Birth	July 12, 1990

Age	33 Years
Designation	Independent Director
Status	Non-Executive
Qualification	He holds the degree of company secretary from the Institute of Company Secretaries of India. He also holds the degree of Bachelor of commerce from Gujarat University.
No. of Years of Experience	He has more than 7 years of experience in the field of Secretarial and compliance related activities.
Address	C-304 Celino, Opp Nikol Police Station Side, S P Ring Road, Nikol, Ahmedabad-382350
Occupation	Professional
Nationality	Indian
Date of Appointment	He was appointed as an Independent Director of the company for a period of 3 (Three) years w.e.f January 08, 2024
Term of Appointment and date of expiration of current term of office.	He holds the Office for a Period of 3 (Three) Years w.e.f. January 08, 2024 and is not liable to retire by rotation.
Other Directorships/Designated Partner	Patron Exim Limited SVS Ventures Limited Waa Solar Limited

<b>Mr. Aayush Kamleshbhai Shah</b>	
Father's Name	Mr. Kamleshbhai Kanaiyalal Shah
DIN	10149440
Date of Birth	September 26, 1991
Age	32 Years
Designation	Independent Director
Status	Non-Executive
Qualification	He holds the degree of company secretary from the Institute of Company Secretaries of India. He also holds the degree of Bachelor of law from Gujarat University.
No. of Years of Experience	He has more than 8 years of experience in the field of Secretarial and compliance activities in various Company.
Address	901, Gulmohar Heights, Opp Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad, Gujarat-380015.
Occupation	Professional
Nationality	Indian
Date of Appointment	He was appointed as an Independent Director of the company for a period of 3 (Three) years w.e.f January 08, 2024
Term of Appointment and date of expiration of current term of office.	He holds the Office for a Period of 3 (Three) Years w.e.f. January 08, 2024 and is not liable to retire by rotation.
Other Directorships/Designated Partners	Katex Exim Limited Fonebox Retail Limited DCG Cables & Wires Limited IEL Limited

As on the date of the Draft Red Herring Prospectus

- A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- B. None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

- D. None of our Directors are/were directors of any company whose shares were delisted from any stock exchange(s) up to the date of filing of this Draft Red Herring Prospectus.
- E. None of the Promoters or Directors of our Company are fugitive economic offenders.
- F. None of our Directors are/were directors of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

#### **RELATIONSHIP BETWEEN THE DIRECTORS**

There is no relationship between any of the Directors of our Company as on date of filing of Draft Red Herring Prospectus:

#### **ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS**

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above-mentioned Directors was selected as director or member of senior management.

#### **SERVICE CONTRACTS**

None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, Executive Directors of our Company are appointed for specific terms and conditions for which no formal agreements are executed. However, their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.

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

#### **BORROWING POWERS OF THE BOARD OF DIRECTORS**

Pursuant to a special resolution passed at an Extraordinary General Meeting of our Company held on February 16, 2024 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹150 crores (Rupees One hundred and Fifty Crores).

#### **BRIEF PROFILE OF OUR DIRECTORS**

##### **Mr. Navin Saraogi**

Mr. Navin Saraogi aged 45 years is Chairman & Managing Director of the Company. He holds the degree of Bachelor of Engineering in Mechanical from Pune University. He has more than 20 years of experience in the textile industry. He looks Overall Operations of our company

##### **Mr. Aansh Rajesh Bindal**

Mr. Aansh Rajesh Bindal, aged 22 years, is Whole Time Director of the company. He holds the degree of Bachelor of Science in Business Management from University of Lancaster. He is a fresher completed Bachelor of Science in Business Management.

##### **Ms. Drashti Laxmikant Solanki**

Ms. Drashti Laxmikant Solanki aged 30 years is an Independent Director of the company. She holds the degree of Company Secretary from the Institute of Company Secretaries of India. She also holds the degree of Bachelor of Laws from Gujarat University. She has more than 7 years of experience in the field of corporate law and compliance in various companies.

##### **Mr. Sumitkumar Jayantibhai Patel**

Mr. Sumit Jayantibhai Patel aged 33 years is an Independent Director of the Company. He holds the degree of company secretary from the Institute of Company Secretaries of India. He also holds the degree of Bachelor of commerce from Gujarat University. He has more than 7 years of experience in the field of Secretarial and compliance related activities.

### Mr. Aayush Kamleshbhai Shah

Mr. Aayush Kamleshbhai Shah aged 32 years is an Independent Director of the Company. He holds the degree of company secretary from the Institute of Company Secretaries of India. He also holds the degree of Bachelor of law from Gujarat University. He has more than 8 years of experience in the field of Secretarial and compliance activities in various Company.

### COMPENSATION AND BENEFITS TO THE MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR ARE AS FOLLOWS: -

Name	Mr. Navin Saraogi	Mr. Aansh Rajesh Bindal
Designation	Chairman & Managing Director	Whole-Time Director
Date of Appointment/Change in Designation	Initially, he was appointed as an Executive Director of the Company since incorporation of the company i.e., November 23, 2015. Thereafter pursuant to the approval of members in the Extra Ordinary General Meeting held January 08, 2024 his designation was changed from Executive Director to Managing Director of the Company w.e.f. January 08, 2024.	He was appointed as an Executive Director of the Company w.e.f. December 21, 2023. Thereafter pursuant to the approval of members in the Extra Ordinary General Meeting held January 08, 2024 his designation was changed from Executive Director to Whole Time Director of the Company w.e.f. January 08, 2024.
Period	5 (Five) years w.e.f. January 08, 2024, liable to retire by rotation	5 (Five) years w.e.f. January 08, 2024, liable to retire by rotation
Salary	₹ 2 Lakhs per month.	₹ 2 Lakhs per month.
Perquisite/Benefits	In addition to salary, he will be entitled to House Rent Allowance, medical reimbursement, annual club membership fees, medical/accident insurance, servants and other benefits.	In addition to salary, he will be entitled to House Rent Allowance, medical/accident insurance, Servants and Other benefits.
Other Benefits and reimbursements	Reimbursement of expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trip(s), provision of car for use on the company's business, telephone expenses at residence and club membership. He is entitled to performance-based incentives as may be approved by the board of directors every financial year. Contribution to the provident fund, Superannuation or annuity fund, gratuity and encashment of leave as per the rules of the Company.	Reimbursement of expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trip(s), provision of car for use on the company's business, telephone expenses at residence and club membership. He is entitled to performance-based incentives as may be approved by the board of directors every financial year. Contribution to the provident fund Superannuation or annuity fund, gratuity and encashment of leave as per the rules of the Company.
Compensation/remuneration paid during the F.Y. 2022-23	₹ 3.00 Lakhs	Nil

### SITTING FEES PAYABLE TO EXECUTIVE DIRECTORS

Till date, our Company has not paid any sitting fees to any of the Executive Directors or independent for attending any of the Board or Committee Meetings. Further, the Board of Directors has decided to pay sitting fees up to ₹ 6000 per meeting to non-executive director (including independent directors) vide board resolution dated January 24, 2024.

### SHAREHOLDING OF DIRECTORS

The shareholding of our directors as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Directors	No. Equity Shares held	Category/ Status
1.	Mr. Navin Saraogi	87,52,858	Promoter/ Chairman & Managing Director
2.	Mr. Aansh Rajesh Bindal	79,02,167	Promoter/Whole Time Director

## INTEREST OF DIRECTORS

All the Executive directors of the company may be deemed to be interested to the extent of fees, payable to them for attending meetings of the Board or Committee if any as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements to be entered into by the offeror company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

The Executive Director is interested in the extent of remuneration paid to them for services rendered to the company and also payment of interest on the unsecured loan and lease rent.

Except as stated under “Annexure –35 -Restated Related Party Transactions” under Chapter titled “Restated Financial Information” beginning on page 163 of the Draft Red Herring Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which our directors are interested directly or indirectly.

## CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of Directors	Date of Event	Nature of Event	Reason for the changes
Mr. Navin Saraogi	March 28, 2024	Appointment	He has been appointed as Chairman of the Company.
Mr. Navin Saraogi	January 08, 2024	Change in Designation	He has been appointed as the Managing Director of the Company.
Mr. Aansh Rajesh Bindal	January 08, 2024	Change in Designation	He has been appointed as the Whole Time Director of the Company.
Ms. Drashti Laxmikant Solanki	January 08, 2024	Appointment	She has been appointed as an Independent Director of the company.
Mr. Sumit Jayantibhai Patel	January 08, 2024	Appointment	He has been appointed as an Independent Director of the company.
Mr. Aayush Kamleshbhai Shah	January 08, 2024	Appointment	He has been appointed as an Independent Director of the company.
Mr. Sanjay Bindal	January 24, 2024	Cessation	He has been Resigned as a Director of the company.
Mr. Aansh Rajesh Bindal	December 21, 2023	Appointment	He has been appointed as an Executive Director of the company.

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Red Herring Prospectus, as our Company is coming with an Offer in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavors to comply with the good corporate governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including a woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### **Composition of Board of Directors**

Currently our Board consists of 05 (five) directors out of which 02 (two) of them are Executive Directors and 3 (three) are Independent Directors.

Composition of Board of Directors is set forth in the below mentioned table:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Designation</b>	<b>Status</b>	<b>DIN</b>
1.	Mr. Navin Saraogi	Chairman & Managing Director	Executive	00623331
2.	Mr. Aansh Rajesh Bindal	Whole Time Director	Executive	10432834
3.	Ms. Drashti Laxmikant Solanki	Independent Director	Non-Executive	10136197
4.	Mr. Sumit Jayantibhai Patel	Independent Director	Non-Executive	08206567
5.	Mr. Aayush Kamleshbhai Shah	Independent Director	Non-Executive	10149440

### **Constitution of Committees**

Our company has constituted the following Committees of the Board:

- 1. Audit Committee**
- 2. Stakeholders Relationship Committee**
- 3. Nomination and Remuneration Committee**
- 4. Corporate Social Responsibility Committee**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder:

#### **1. Audit Committee:**

The Board of Directors of our Company has, in pursuance to the provisions of Section 177 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on March 28, 2024 constituted Audit Committee.

The constitution of the Audit Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Mr. Sumit Jayantibhai Patel	Chairman	Independent Director
Mr. Aayush Kamleshbhai Shah	Member	Independent Director
Mr. Navin Saraogi	Member	Managing Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

#### **Terms of Reference**

The Role of Audit Committee not limited to but includes: -

- The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the Statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Examination of financial statement and auditors' report thereon including interim financial results before submission to the Board of Directors for approval particularly with respect 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

- Qualifications in the draft audit report.
- iv. Approval or any subsequent modification of transactions of the Company with related party;
 

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered in to by the Company subject to such conditions provided under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof; Provided further that in case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;
  - v. Reviewing, with the management, and monitoring 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 ;
  - vi. Scrutiny of Inter-corporate loans and investments;
  - vii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
  - viii. Reviewing and discussing 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;
  - ix. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
  - x. Valuation of undertakings or assets of the company, where ever it is necessary;
  - xi. Evaluation of internal financial controls and risk management systems and reviewing with the management, performance of statutory & internal auditors, and adequacy of the internal control systems;
  - xii. 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 and discussion with internal auditors of any significant findings and follow up there on;
  - xiii. 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;
  - xiv. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - xv. 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;
  - xvi. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
  - xvii. Carrying out any other function as assigned by the Board of Directors & other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

#### **Review of Information**

- i. Management discussion and analysis of financial condition and results of operations.
- ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii. Internal audit reports relating to internal control weaknesses; and
- iv. The appointment, removal and terms of remuneration of the Internal Auditor.

#### **Powers of Committee**

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and

iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Quorum and Meetings**

The audit committee shall meet as often as necessary subject to minimum 4 times in financial years. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Directors shall present at the Meeting.

### **2. Stakeholders Relationship Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on March 28, 2024 constituted a Stakeholders Relationship Committee.

The constitution of the Stakeholders Relationship Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Mr. Aayush Kamleshbhai Shah	Chairman	Independent Director
Mr. Sumit Jayantibhai Patel	Member	Independent Director
Mr. Aansh Rajesh Bindal	Member	Whole Time Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

### **Terms of Reference**

To supervise and ensure;

- i. Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

Such other matters may be required by any statutory, contractual or other regulatory requirements to be attended to by such a committee from time to time.

### **Quorum and Meetings**

The Stakeholders Relationship Committee shall meet at least once in the financial year. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

### **3. Nomination and Remuneration Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on March 28, 2024 constituted a Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Mr. Sumit Jayantibhai Patel	Chairman	Independent Director
Mr. Aayush Kamleshbhai Shah	Member	Independent Director
Ms. Drashti Laxmikant Solanki	Member	Independent Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

### **Terms of reference**

Role of Nomination and Remuneration Committee not limited to but includes: -

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.
- iii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iv. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
- vi. recommend to the board, all remuneration, in whatever form, payable to senior management;
- vii. Such other matters may be required by any statutory, contractual or other regulatory requirements to be attended to by such a committee from time to time.

#### **Quorum and Meetings**

The Committee is required to meet at least once in the financial year. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

#### **4. Corporate Social Responsibility Committee**

The Board of Directors of our Company has, in pursuance to provisions of Section 135 of the Companies Act, 2013, as applicable, in its meeting held on January 24, 2024 constituted Corporate Social Responsibility Committee.

The constitution of the Corporate Social Responsibility Committee is as follows:

<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Mr. Navin Saraogi	Chairman	Chairman and Managing Director
Mr. Aansh Rajesh Bindal	Member	Whole Time Director
Mr. Aayush Kamleshbhai Shah	Member	Independent Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

#### **Terms of reference**

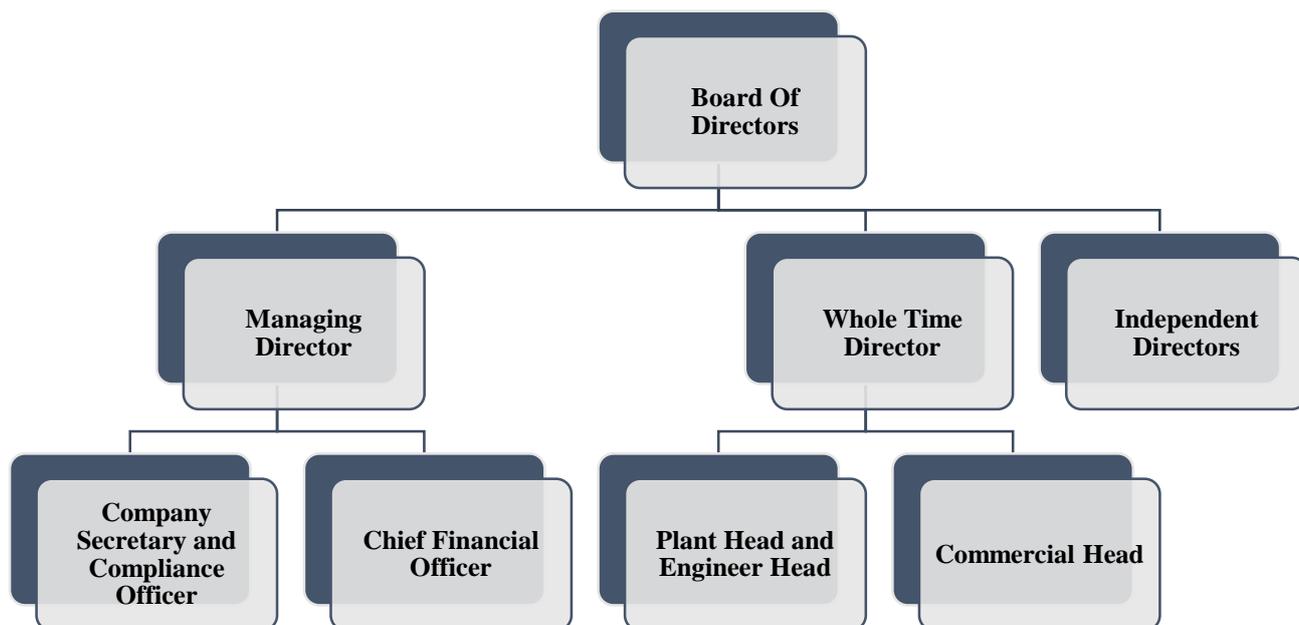
1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject as specified in Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### **Quorum**

The quorum necessary for a meeting of the Corporate Social Responsibility Committee is one third of total members of the Corporate Social Responsibility Committee or 2 members, whichever is higher.

#### **MANAGEMENT ORGANISATION CHART**

The Management Organization Structure of the company is depicted from the following chart:



## OUR KEY MANAGEMENT PERSONNEL

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

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
<b>Name</b>	Mr. Vardhaman Parimalkumar Shah	He Holds the degree of Bachelor of Commerce from the Gujarat University and has qualified CA Integrated Professional Competence Examination (IPCC) in the year 2012.	-	6.08
<b>Designation</b>	Chief Financial Officer			
<b>Date of Appointment</b>	January 04, 2024			
<b>Overall Experience</b>	He has overall experience of more than 07 years in Accounts and Finance field.			
<b>Name</b>	Mr. Jagdish Shamjibhai Kanzariya	He holds the degree of Company Secretaries from the Institute of Company Secretaries of India.	Ashima Limited	Nil
<b>Designation</b>	Company Secretary and Compliance Officer			
<b>Date of Appointment</b>	October 09, 2023			
<b>Overall Experience</b>	He has 4 years of Experience in the field of secretarial and compliance related activities.			

## SENIOR MANAGEMENT PERSONNEL

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
<b>Name</b>	Mr. Subrata Panda	He has completed the Textile Technology in the year 1990	-	13.90
<b>Designation</b>	Plant Head			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
Date of Appointment	January 16, 2024	from the State council of Technical Education & Training, Orissa.		
Overall Experience	He has an experience of more than 17 years in Textile Industry.			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
Name	Mr. Shah Kalpeshbhai Pravinchandra	He holds the degree of Diploma in Electrical Engineering from Technical Examination Board, Gandhinagar.	-	5.75
Designation	Engineer Head			
Date of Appointment	January 16, 2024			
Overall Experience	He has an experience of more than 20 years in Electrical Engineering.			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
Name	Mr. Rajesh Nandkishor bhai Patel	He has passed Second Semester of Final B. Text (Engineering) in the year 1985 from The Maharaja Sayajirao university of Baroda.	-	5.90
Designation	Commercial Head			
Date of Appointment	January 16, 2024			
Overall Experience	He has more than 10 years of Experience in the field of Textile Industry.			

#### **BONUS OR PROFIT-SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL**

Currently, Our Company does not have any bonus or profit-sharing plan for our Key Managerial personnel and Senior Management Personnel. In future, discretionary bonus may be paid as may be decided by Nomination and Remuneration Committee/Board of Directors, depending upon the performance of the Key Managerial Personnel and Senior Management Personnel, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013.

#### **CHANGES IN THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL**

The following are the changes in the Key Management Personnel and Senior Management Personnel other than our Executive Directors in the last three years preceding the date of filing this Draft Red Herring Prospectus, otherwise than by way of retirement in due course.

Name of Key Managerial Personnel and Senior Management Personnel	Date of Event	Nature of Event	Reason for the changes
Mr. Vardhaman Parimalkumar Shah	January 04, 2024	Appointment	Appointed as Chief Financial Officer of the Company.
Mr. Jagdish Shamjibhai Kanzariya	October 09, 2023	Appointment	Appointed as Company Secretary and Compliance Officer.
Mr. Subrata Panda	January 16, 2024	Appointment	Appointed as Plant Head of the company

Name of Key Managerial Personnel and Senior Management Personnel	Date of Event	Nature of Event	Reason for the changes
Mr. Shah Kalpeshbhai Pravinchandra	January 16, 2024	Appointment	Appointed as Engineer Head of the company
Mr. Rajesh Nandkishor bhai Patel	January 16, 2024	Appointment	Appointed as Commercial Head of the company.

#### **EMPLOYEE STOCK OPTION SCHEME**

As on the date of filing of Draft Red Herring Prospectus, our company does not have any ESOP Scheme for its employees.

#### **RELATIONSHIP BETWEEN KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL**

There is no existing relationship between Key Management Personnel and Senior Management Personnel as on date of filing Draft Red Herring Prospectus.

#### **PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)**

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.

Notes:

- All the key managerial personnel and Senior Management Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel have been recruited.
- None of our Key Managerial Personnel and Senior Management Personnel has been granted any benefits in kind from our Company, other than their remuneration.
- None of our Key Managerial Personnel and Senior Management Personnel has entered into any service contracts with our no benefits are granted upon their termination from employment other than statutory benefits provided by our company and further, our Company has appointed certain Key Managerial Personnel i.e. Chief Financial Officer and Company Secretary and Compliance officer for which our company has not executed any formal service contracts; although they are expected to abide by their terms of appointments.

#### **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL OTHER THAN OUR EXECUTIVE DIRECTORS**

Except as disclosed below, none of the Key Managerial Personnel and Senior Management hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name	Designation	No. of Equity Shares held
1.	Mr. Navin Saraogi	Chairman & Managing Director	87,52,858
2.	Mr. Aansh Rajesh Bindal	Whole Time Director	79,02,167
3.	Mr. Vardhaman Parimalkumar Shah	Chief Financial Officer	-
4.	Mr. Jagdish Shamjibhai Kanzariya	Company Secretary and Compliance Officer	-
5.	Mr. Subrata Panda	Plant Head	-
6.	Mr. Kalpeshbhai Pravinchandra Shah	Engineer Head	-
7.	Mr. Rajesh Nandkishorbhai Patel	Commercial Head	-

## OUR PROMOTERS AND PROMOTER GROUP

Promoters of our Company are Mr. Navin Saraogi and Mr. Aansh Rajesh Bindal. For details of the Capital build-up of our Promoter, see chapter titled “*Capital Structure*” beginning on page no. 57 of this Draft Red Herring Prospectus.

The details of our Promoters are as follows:

	<p><b>Mr. Navin Saraogi</b></p> <p>Mr. Navin Saraogi is Promoter cum Chairman &amp; Managing Director of the Company. He was appointed under Promoter Category as an Executive Director of the Company since incorporation of the company i.e., November 23, 2015. Thereafter his designation was changed to Managing Director with effect from January 08, 2024 by special resolution of shareholders in an Extra-ordinary General Meeting of the company held on January 08, 2024. He is liable to retire after 5 years with effect from January 08, 2024. He was appointed as Chairman of the company w.e.f. March 28, 2024. He has more than 20 years of experience in the textile industry.</p>
<b>Date of Birth</b>	May 06, 1978
<b>Age</b>	45
<b>PAN</b>	AXQPS4221E
<b>Educational Qualification</b>	He holds a degree in Mechanical Engineering from Pune University.
<b>Present Residential Address</b>	A-21, Rivera Heights B/H Shrnam-10, Prahladnagar Satellite Ahmedabad City, Manekbagh, Ahmedabad, Gujarat - 380015
<b>Position/posts held in the past</b>	Executive Director
<b>Directorship held</b>	Dholi Speciality Private Limited Agarwal Denim Private Limited Shivtex Spinning Private Limited Shivhari Chemicals Private Limited* United Tex Chem Solutions Private Limited Unitex Chemicals Private Limited Shivtech Steel Private Limited* Siddhi Weaves Private Limited Basant Texfab Private Limited
<b>Other Ventures</b>	Goodwill Landcon LLP Shreesh Infrastructure LLP Navin Saraogi HUF

*\*The company is under the process of Strike off*

	<p><b>Mr. Aansh Rajesh Bindal</b></p> <p>Mr. Aansh Rajesh Bindal aged 22 years is Promoter cum Director of the Company, He is appointed under Promoter Category as an Executive Director of the Company as on December 21, 2023. Thereafter his designation was changed to Whole Time Director liable to retire by rotation w.e.f. January 08, 2024 by special resolution of shareholders in an Extra-ordinary General Meeting of the company held on January 08, 2024.</p>
<b>Date of Birth</b>	August 20, 2001
<b>Age</b>	22
<b>PAN</b>	ANYPB6483H

<b>Educational Qualification</b>	He holds a Degree of Bachelor of Science in Business Management from University of Lancaster.
<b>Present Residential Address</b>	10, Mangalam Society, Near Ocean Park, Satellite Road, Ahmedabad City, Gujarat, 380015
<b>Position/posts held in the past</b>	Director
<b>Directorship held</b>	Nil
<b>Other Ventures</b>	Nil

## DECLARATION

We declare and confirm that the details of the permanent account numbers, bank account numbers, passport numbers, Aadhar card number and Driving Licence number of our Promoter are being submitted to the NSE, stock exchange on which the specified securities are proposed to be listed along with filing of this Draft Red Herring Prospectus with the Stock Exchange.

## CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER IN LAST FIVE YEARS

Mr. Sanjay Premchand Bindal (Erstwhile Promoter and Director) of the company since incorporation holding 15,08,012 Equity shares up to date December 27, 2023. He transferred his entire stake of 15,08,012 Equity shares to Mr. Ansh Bindal on December 28, 2023 by way of Gift and Resign as a Director w.e.f. January 24, 2024. Consequently, he ceases to be promoter and Director. Presently, Mr. Navin Saraogi along with Mr. Aansh Bindal are the Promoters of the Company.

For details of the Capital build-up of our Promoters and change in the control thereof, see chapter titled “*Capital Structure*” beginning on page no. 57 of this Draft Red Herring Prospectus.

## INTEREST OF OUR PROMOTER

### Interest in promotion of Our Company

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

### Interest in the property of Our Company

One of Our Promoter Mr. Ansh Rajesh Bindal Owns the Registered office premise of our company situated at, Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat- 382240. Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company three years prior to filing of this Draft Red Herring Prospectus.

### Interest as member of Our Company

Our Promoters jointly hold 1,66,55,025 Equity Shares aggregating to 85.57 % of pre-offer Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Mr. Navai Saraogi, and Mr. Ansh Rajesh Bindal given in the chapter titled “*Our Management*” beginning on page 145 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

### Interest as Director of Our Company

Except as stated in “*Annexure – 35 - Restated Related Party Transactions*” under section “*Restated Financial Information*” beginning from page. 163 of this Draft Red Herring Prospectus our Promoters / Directors may be deemed to be interested to the extent of compensation, remuneration/ sitting fees to be paid, perquisites to be given, reimbursement of expenses to be made in accordance with their respective terms of appointments and to the extent of their shareholding and benefits, if any, arise on the shareholding, our Promoters do not have any other interest in our business.

Further, our Promoters/Directors may be deemed to be interested in the extent of the payments made by our Company, if any, to the Group entities and payment to be made by our Company to the Group Entities. For the payments that are made by our Company to certain Group entities, please refer “*Annexure – 35 - Restated Related Party Transactions*” under section “*Restated Financial Information*” beginning from page 163 of this Draft Red Herring Prospectus.

## PAYMENT OF BENEFITS TO OUR PROMOTERS

Except as stated in the section “*Annexure – 35 “Restated Related Party Transactions”*” under section “*Restated Financial Information*” beginning from page no. 163 of this Draft Red Herring Prospectus, there has been no payment of benefits made to our Promoters in the two years preceding the filing of this Draft Red Herring Prospectus. Further, our Company may enter into a transaction with or make payment of benefit to the Promoter- Directors or Promoters’ Group, towards remunerations as decided by the Board of Directors.

## GUARANTEES

Except as stated in the section under section "Related Financial Information" beginning on page 163 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

## CONFIRMATIONS

Our Company and Promoters confirmed that they have not been declared as wilful defaulters or Fraudulent Borrowers or by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

Further, our Promoters, Promoter group or directors have not been directly or indirectly debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoters, Promoter group or directors do not have direct or indirect relation with the companies, its Promoters and whole-time directors, which are compulsorily delisted by any recognized stock exchange or the companies which are debarred from accessing the capital market by the Board.

Also, our Promoters or directors are not fugitive economic offenders.

We and Our Promoters, Group Entities, and Companies promoted by the Promoters confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us;
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the section title "Outstanding Litigation and Material Developments" appearing on page no. 181 of this Draft Red Herring Prospectus.

## DISASSOCIATION OF PROMOTERS IN THE LAST THREE YEAR

Our Promoters have not disassociated themselves from any Company or Firm during the preceding three years.

## RELATIONSHIP OF PROMOTERS WITH EACH OTHER AND WITH OUR DIRECTORS

None of our Promoters are related to any of our Company's Directors within the meaning of Section 2(77) of the Companies Act, 2013.

## OUR PROMOTER' GROUP

In addition to our Promoters named above, the following individuals and entities form a part of the Promoter' Group:

### a. Natural persons who are part of our Individual Promoter Group:

Relationship with Promoter	Mr. Navin Saraogi	Mr. Aansh Rajesh Bindal
Father	Late Sushil Saraogi	Rajesh Bindal
Mother	Usha S Saraogi	Nidhi Bindal
Spouse	Kavita Navin Saraogi	N.A.
Brother/s	N.A.	N.A.
Sister/s	Yogita Surekha	Sakshi Bindal
	Savita Agarwal	
Son/s	Krishna Navin Saraogi	N.A.
Daughter/s	N.A.	N.A.
Spouse's Father	Vedprakash Devkinandan Chiripal	N.A.
Spouse's Mother	Savitaridevi Vedprakash Chiripal	N.A.
Spouse's Brother/s	Vishal Chiripal	N.A.
Spouse's Sister/s	Babita Agarwal	N.A.
	Shivani Mittersain	N.A.

### b. Companies related to our Promoter Company: Not Applicable as our Promoters are individuals.

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoter Company.	Not Applicable

Any Body corporate in which Promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the Promoter (Body Corporate).	Not Applicable
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**c. Companies, Proprietary concerns, HUF's related to our Promoters**

Nature of Relationship	Name of Entities
Any Body Corporate in which twenty percent or more of the equity share capital is held by Promoter or an immediate relative of the Promoter or a firm or HUF in which Promoter or any one or more of his immediate relatives are a member.	Basant Texfab Private Limited Shivtex Spinning Private Limited Agarwal Denim Private Limited Bindal Worldwide Private Limited Siddhi Weaves Private Limited United Tex Chem Solutions Private Limited Chiripal Industrial Park Private Limited Dholi Speciality Private Limited Shivnidhi Spin Private Limited* Shivtech Steel Private Limited* Shivhari Chemicals Private Limited* Zemex Petrochemicals Private Limited Shanti Innovation & Research Foundation Chiripal Energy Limited Dholi Thermal Energy Private Limited Shreesh Infrastructure LLP ACE Fabrics LLP Nandan Corporation LLP
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	-
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the Promoter and his immediate relatives is equal to or more than twenty percent.	KS Solutions (Formerly Krishna Fabrics) Bindal Finance Corporation Shanti Corporation Shanti Developers Nandan Shirting Co. Elite Chemicals Shaurya Developers Satyadev Enterprise  Navin Saraogi HUF Rajesh Prem Chand HUF Vedprakash Devkinanadan Chiripal – HUF

\*Under the Process of Striking Off

**d. Person whose shareholding is aggregated under the heading “Shareholding of the Promoters Group”**

Name of Entities / Person
NA

For further details on our Group Companies refer Chapter titled “*Information with respect to Group Companies/Entities*” beginning on page no. 188 of this Draft Red Herring Prospectus.

## DIVIDEND POLICY

The declaration and payment of dividend is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013 and the Companies (Declaration and Payment of Dividends) Rules, 2014.

The dividend, if any, declared will depend on a number of internal and external factors, including but not limited to future expansion plans of the Company, including brand acquisitions, expansion plans, capital expenditure, capital requirements, contractual restrictions, fund requirements to finance the working capital expenditure needs and long-term investments, net profits earned and free cash generated by the Company during the fiscal year, liquidity and applicable taxes including dividend distribution tax, if any, payable by our Company. In addition, our ability to pay dividends may be impacted by restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “Restated Financial Indebtedness” on page 163.

The details of dividend on Equity Shares declared and paid by our Company in the last three financial years is set out in following table:

Particulars	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
No. of Preference Shares	-	-	3,16,151
Face value per share (in ₹)	-	-	10/-
Aggregate Dividend (Interim + Final) (in ₹)	-	-	270/-
Dividend per share (Interim + Final) (in ₹ Per Preference Share)	-	-	0.10
Rate of dividend (%)	-	-	0.10%
Dividend Distribution Tax (%)	-	-	NIL
Dividend Distribution Tax (in ₹)	-	-	NIL
Mode of payment of dividend	-	-	NEFT

The amount of dividend paid in past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or the amount thereof will not be decreased in the future. For details, see “Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements” on page 24.

**SECTION IX – FINANCIAL STATEMENTS**

**RESTATED FINANCIAL INFORMATION**

<b>Sr. No</b>	<b>Particulars</b>	<b>Page Nos.</b>
1.	Restated Financial Information	F- 1 to F- 30

## INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,

**Siddhi Cotspin Limited**

Survey 279 & 280, Unit No.13,

Sub Plot No. 18 Sector 3

of Dholi Integrated Spinning Park,

Ahmedabad, Gujarat - 382240.

Dear Sir / Ma'am,

1. We have examined the attached Restated Financial Information of Siddhi Cotspin limited (Formerly known as Siddhi Cotspin Private limited) (the "Company" or the "Issuer"), comprising the Restated Statement of Assets and Liabilities as at December 31, 2023 and March 31, 2023, 2022 and 2021, the Restated Statements of Profit and loss, the Restated Cash Flow Statement for the stub period ended on December 31, 2023 and for the financial year ended on March 31, 2023, 2022 and 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus (Here-in Offer Documents) prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO" ).
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - c. The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("Guidance Note").

The Company's Board of Directors is responsible for the preparation of the Restated Financial Statement & other financial information for the purpose of inclusion in the Draft Prospectus / Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Ahmedabad in connection with the proposed IPO. The Board of Directors responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR

Regulations and the Guidance Note.

We have examined the accompanied,

- i. the 'Restated Statement of Assets and Liabilities' (Annexure- 1),
- ii. the 'Restated Statement of Profit and Loss' (Annexure - 2),
- iii. the 'Restated Statement of Cash Flows" (Annexure 3)

for the period ended on December 31, 2023, March 31, 2023, March 31, 2022, March 31, 2021, as on above dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. All three annexures read together with the Significant Accounting Policies (Annexure - 4) thereon, which are the responsibility of the Company's management.

The information has been extracted from the Financial Statements of the company for the period ended on December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2021. The Financial Statements of the company for the period ended on December 31, 2023, is audited by Vijay Moondra & Co. and Financial statement for the FY. 2020-2021, 2021-2022 and 2022-2023 is audited by A.O. AGRAWAL & CO, Chartered Accountants, which were approved by the Board of Directors as on that date and upon which we have placed our reliance while reporting.

3. In terms of Schedule VI (Part A)(11)(II)(A)(i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of Siddhi Cotspin Private Limited, we, M/s. JPMK And Company, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
4. Based on our examination, we report that:
  - a. The "Restated Financial Statement of Assets and Liabilities" as set out in Annexure 1, Restated Financial Statement of Profit and Loss" as set out in Annexure 2, "Restated Financial Statement of Cash Flows" as set out in Annexure 3, to this report, of the Company as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Financial Statements have been arrived at after making such adjustments and regroupings to the Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies as set out in Annexure 4 & and Notes to Accounts to this Report..
  - b. The Restated Financial Statements have been made after incorporating adjustments for;
    - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period / years.
    - ii. Prior period and other material amount in the respective financial years to which they relate
  - c. The audit reports on the Financial Statements of the Company as at and for period ended on December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2021, as referred in paragraph 3 above, expresses an unmodified opinion for the periods ended on December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2021.
    - i. other remarks/comments in the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued

by the Central Government of India in terms of sub - section (11) of section 143 of the act, on financial statements of the company for the financial periods ended on December 31, 2023, March 31, 2023, 2022 and 2021.

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

**Annexure of Restated Financial Statements of the Company:**

- i. Statement of Equity Share Capital, as restated (Annexure — 5)
- ii. Statement of Reserves & Surplus, as restated (Annexure - 6)
- iii. Statement of Long-Term Borrowings, as restated (Annexure - 7)
- iv. Statement of Deferred Tax Liabilities, as restated (Annexure — 8)
- v. Statement of Long-Term Provisions, as restated (Annexure - 9)
- vi. Statement of Short-Term Borrowing, as restated (Annexure — 10)
- vii. Statement of Trade Payables, as restated (Annexure — 11)
- viii. Statement of Other Current Liabilities, as restated (Annexure - 12)
- ix. Statement of Short-Term Provisions, as restated (Annexure -13)
- x. Statement of Property, Plant and Equipment, as restated (Annexure -14)
- xi. Statement of Non-Current Investments, as restated (Annexure — 15)
- xii. Statement of Other Non-Current Assets, as restated (Annexure — 16)
- xiii. Statement of Inventory, as restated (Annexure — 17)
- xiv. Statement of Trade Receivables, as restated (Annexure - 18)
- xv. Statement of Cash and Cash Equivalents, as restated (Annexure - 19)
- xvi. Statement of Short Terms Loans and Advances, as restated (Annexure - 20)
- xvii. Statement of Other Current Asset, as restated (Annexure - 21)
- xviii. Statement of Revenue from Operations, as restated (Annexure — 22)
- xix. Statement of Other Income, as restated (Annexure - 23)
- xx. Statement of Cost of Material Consumed, as restated (Annexure — 24)
- xxi. Statement of Purchase of Stock in Trade, as restated (Annexure — 25)
- xxii. Statement of Changes in Inventory, as restated (Annexure — 26)
- xxiii. Statement of Employee Benefit Expenses, as restated (Annexure - 27)
- xxiv. Statement of Finance Cost, as restated (Annexure - 28)
- xxv. Statement of Other Expenses, as restated (Annexure - 29)
- xxvi. Statement of Earnings Per Share, as restated (Annexure — 30)
- xxvii. Statement of Contingent Liabilities, as restated (Annexure - 31)
- xxviii. Statement Showing Disclosure Regarding Corporate Social Responsibility as Restated (Annexure — 32)
- xxix. Statement of Summary Accounting Ratios, as restated (Annexure — 33)
- xxx. Statement of Related Party Transactions, as restated (Annexure - 34)
- xxxi. Statement of Reconciliation of Restated profit (Annexure — 35)

- xxxii. Statement of Reconciliation of Restated Equity (Annexure — 36)
- xxxiii. Statement of Tax Shelter, as restated (Annexure -37)
- xxxiv. Statement of Capitalization, as restated (Annexure - 38)
6. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure 1 to 38 read with the significant accounting policies and notes to the restated Financial Statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI). Consequently, the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited Financial Statements for the relevant years.
7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the Financial Statements referred to therein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For, JPMK And Company.**

**Chartered Accountants**

**FRN: 124193W**

**Place: Ahmedabad**

**Date: 28.03.2024**

**CA Jitendra Vageriya**

**Partner**

**Membership No.: 114424**

**UDIN: 24114424BKAPRK4930**

Siddhi Cotspin Limited

Formerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

Annexure 1: Statements Of Assets And Liabilities As Restated

( Amount in Lacs )

Particular	Note	As at 31 <sup>st</sup> December, 2023	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b><u>I EQUITY AND LIABILITIES</u></b>					
<b>1 Shareholder's Fund</b>					
a) Share Capital	5	442.33	442.33	442.33	442.33
b) Reserve and Surplus	6	5,777.42	4,975.44	4,373.89	3,608.15
<b>2 Non-Current Liabilities</b>					
a) Long Term Borrowings	7	4,348.90	6,872.03	9,373.52	8,992.92
b) Deferred tax liability	8	430.58	546.54	556.17	346.98
c) Long Term Provision	9	17.43	13.53	16.02	12.82
<b>3 Current Liabilities</b>					
a) Short Term Borrowings	10	4,546.71	4,505.79	4,528.78	4,361.74
b) Trade Payable	11	1,331.41	840.58	374.90	208.56
c) Other Current Liabilities	12	147.82	57.68	156.88	313.05
d) Short Term Provision	13	341.73	158.63	192.05	60.04
<b>Total</b>		<b>17,384.34</b>	<b>18,412.56</b>	<b>20,014.54</b>	<b>18,346.59</b>
<b><u>II ASSETS</u></b>					
<b>1 Non-Current Assets</b>					
a) Property, Plant and Equipment and Intangible Assets	14	6,924.87	7,624.04	8,270.27	9,868.28
b) Non current Investment	15	0.01	0.01	0.01	0.01
c) Other Non Current Assets	16	103.59	103.59	238.88	240.00
<b>2 Current Assets</b>					
a) Inventories	17	2,839.01	2,215.15	2,887.88	1,874.05
b) Trade Receivables	18	5,246.56	4,806.40	4,352.07	3,111.81
c) Cash and Cash Equivalents	19	146.71	1,473.05	1,992.42	983.89
d) Short Term Loans And Advances	20	2,108.86	2,139.82	2,236.67	2,203.52
e) Other Current Assets	21	14.72	50.50	36.34	65.04
<b>Total</b>		<b>17,384.34</b>	<b>18,412.56</b>	<b>20,014.54</b>	<b>18,346.59</b>

As per our report of even date attached.

For and On Behalf of  
JPMK And Company  
Chartered Accountants

CA Jitendra Vageriya  
Partner  
M.NO.: 114424 FRN: 124193W

UDIN: 24114424BKAPRK4930  
Place: Ahmedabad  
Date: 28.03.2024

For and on behalf of the Board of Directors of  
Siddhi Cotspin Limited

Navin Saraogi  
Director  
DIN: 00623331

Vardhaman Parimalkumar Shah  
Chief Financial Officer

Place: Ahmedabad  
Date: 28.03.2024

Aansh Rajesh Bindal  
Director  
DIN: 10432834

Jagdish Shamjibhai Kanzariya  
Company Secretary  
M.No: 47974

**Siddhi Cotspin Limited**

Formerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

**Annexure 2: Statements Of Profit And Loss As Restated**

( Amount in Lacs )

Particular	Note	April 2023 - December 2023	2022-23	2021-22	2020-21
<b>I Income</b>					
Revenue From Operations	22	35,739.99	19,932.60	40,238.93	13,744.67
Other Income	23	25.29	55.61	66.45	59.18
<b>Total Income (A)</b>		<b>35,765.28</b>	<b>19,988.21</b>	<b>40,305.39</b>	<b>13,803.85</b>
<b>II Expenses</b>					
Cost of Materials Consumed	24	30,811.07	16,389.65	33,533.16	8,902.89
Purchase of Stock in Trade	25	606.89	-	-	-
Changes in Inventory	26	47.12	(781.39)	(705.78)	217.50
Employee Benefits Expense	27	479.75	499.21	712.47	529.57
Finance Costs	28	642.73	752.86	576.37	817.82
Depreciation and Amortization	14	700.03	919.60	1,681.91	1,270.25
Other Expenses	29	1,311.87	1,314.83	3,408.63	1,767.22
<b>Total Expenses (B)</b>		<b>34,599.46</b>	<b>19,094.76</b>	<b>39,206.76</b>	<b>13,505.26</b>
<b>III Profit before tax (A-B)</b>		<b>1,165.82</b>	<b>893.45</b>	<b>1,098.62</b>	<b>298.59</b>
IV Tax expense					
a) Current Tax		336.41	149.13	191.95	49.84
b) (Short)/Excess Provision		-	-	-	-
c) Deferred tax		(115.96)	(9.63)	209.19	70.31
d) Mat Credit Entitlement		143.39	152.39	(68.26)	(49.84)
<b>Total Tax (C)</b>		<b>363.84</b>	<b>291.89</b>	<b>332.88</b>	<b>70.31</b>
Preference Dividend			-	-	0.00
<b>V Profit (Loss) for the period</b>		<b>801.98</b>	<b>601.56</b>	<b>765.74</b>	<b>228.28</b>
Earnings per equity share (In Rupees)					
- Basic	30	4.18	3.14	4.00	1.19
- Diluted	30	4.12	3.09	3.93	1.17

As per our report of even date attached.

For and On Behalf of  
JPMK And Company  
Chartered Accountants

For and on behalf of the Board of Directors of  
Siddhi Cotspin Limited

CA Jitendra Vageriya  
Partner  
M.NO.: 114424 FRN: 124193W

Navin Saraogi  
Director  
DIN: 00623331

Aansh Rajesh Bindal  
Director  
DIN: 10432834

Vardhaman Parimalkumar Shah  
Chief Financial Officer

Jagdish Shamjibhai Kanzariya  
Company Secretary  
M.No: 47974

UDIN: 24114424BKAPRK4930  
Place: Ahmedabad  
Date: 28.03.2024

Place: Ahmedabad  
Date: 28.03.2024

**Siddhi Cotspin Limited**

Fomerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

**Annexure 3: Statements Of Cashflow As Restated****( Amount in Lacs )**

<b>Particular</b>	<b>Note</b>	<b>As at 31st December, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>I Cash flow from Operating Activities:</b>					
Net Profit Before tax as per Statement of Profit & Loss		1,165.82	893.45	1,098.62	298.59
<b>Adjustments for:</b>					
Depreciation & Amortisation Exp.	14	700.03	919.60	1,681.91	1,270.25
Finance Cost	28	642.73	752.86	576.37	817.82
Interest Income	23	(25.29)	(54.57)	(62.79)	(58.38)
<b>Changes in Working Capital</b>					
Trade Payable	11	490.83	465.68	166.35	(1,021.29)
Other Current Liabilities	12	90.14	(99.20)	(156.17)	(900.08)
Provision Impact	13&9	(87.18)	(130.54)	(37.59)	14.94
Other Non Current Assets	16	-	(0.07)	(2.33)	-
Inventories	17	(623.87)	672.73	(1,013.83)	(191.40)
Trade Receivables	18	(440.16)	(454.33)	(1,240.27)	783.57
Short Term Loans And Advances	20	(112.43)	(55.54)	35.11	(1,303.31)
Other Current Assets	21	35.78	(14.17)	28.70	1,301.12
<b>Income Tax Paid</b>		(62.24)	(54.49)	(19.16)	(72.17)
<b>Net Cash Flow from Operating Activities (A)</b>		<b>1,774.16</b>	<b>2,841.40</b>	<b>1,054.94</b>	<b>939.66</b>
<b>II Cash flow from investing Activities</b>					
Purchase/Sale of Fixed Assets (Net)	14	(0.86)	(273.37)	(83.90)	(228.40)
Non Current Deposits With Bank	16	(0.00)	135.36	3.45	(208.49)
Interest Income	23	25.29	54.57	62.79	58.38
<b>Net Cash Flow from Investing Activities (B)</b>		<b>24.43</b>	<b>(83.44)</b>	<b>(17.67)</b>	<b>(378.50)</b>
<b>III Cash Flow From Financing Activities</b>					
Proceeds from Issue of Capital	5	-	-	-	65.99
Changes in Borrowing					
Long term borrowings	7	(2,523.12)	(2,501.49)	380.60	(307.10)
Short term borrowings	10	40.92	(22.98)	167.03	1,412.15
Finance Cost		(642.73)	(752.86)	(576.37)	(817.82)
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(3,124.93)</b>	<b>(3,277.33)</b>	<b>(28.74)</b>	<b>353.23</b>

**Siddhi Cotspin Limited**

Fomerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

**Annexure 3: Statements Of Cashflow As Restated****( Amount in Lacs )**

Particular	Note	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
IV Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)		(1,326.34)	(519.37)	1,008.53	914.38
Opening Balance		1,473.05	1,992.42	983.89	69.52
Closing Balance		146.71	1,473.05	1,992.42	983.90
<b>Cash And Cash Equivalents Comprise:</b>					
Cash		3.83	4.51	3.04	0.92
Bank Balance					
In Current Account		91.88	601.83	1,152.56	216.98
In Deposits					
- Maturity of Less Than 3 Months		-	-	-	-
Other Balances		51.00	866.71	836.82	766.00
<b>Total Cash Balance</b>		<b>146.71</b>	<b>1,473.05</b>	<b>1,992.42</b>	<b>983.89</b>

As per our report of even date attached.

For and On Behalf of

JPMK And Company

Chartered Accountants

CA Jitendra Vageriya

Partner

M.NO.: 114424 FRN: 124193W

UDIN: 24114424BKAPRK4930

Place: Ahmedabad

Date: 28.03.2024

For and on behalf of the Board of Directors of

Siddhi Cotspin Limited

Navin Saraogi

Director

DIN: 00623331

Vardhaman Parimalkumar Shah

Chief Financial Officer

Place: Ahmedabad

Date: 28.03.2024

Aansh Rajesh Bindal

Director

DIN: 10432834

Jagdish Shamjibhai Kanzariya

Company Secretary

M.No: 47974

# Siddhi Cotspin Limited

Formerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

## Background of the Company:

- "Siddhi Cotspin Limited" was incorporated as a closely held private limited company under Companies Act, 2013, pursuant to a certificate of incorporation dated 23<sup>rd</sup> November 2015 which was later converted into Limited Company vide certificate of incorporation dated 06<sup>th</sup> February 2024.
- The company's register office situated at Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat, India, 382240.
- The company is engaged in the business of manufacturing and trading of cotton yarn and textiles items across India and internationally.

## Basic of Preparation of Financial Statement:

- The Financial Statements are prepared in accordance with generally accepted accounting principles in India to comply with the Accounting Standards specified under Section 133 of The Companies Act, 2013 ("The 2013 Act") as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous years, except for changes required by statute.

## Use of Estimates:

- The preparation of Restated Financial Information in conformity with GAAP requires that the management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of property, plant and equipment and intangible assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans, etc.
- Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

## Current versus non-current classification:

- The Company's present assets and liabilities in the balance sheet are based on current / non-current classification. All assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.
- An asset is classified as current when it is expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of business, expected to be realized within twelve months after the reporting period, or cash and cash equivalent unless restricted from being exchange or used to settle a liability for at least twelve months after the reporting period.
- A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

## Accounting Assumptions:

# Siddhi Cotspin Limited

Formerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

- **Going Concern: -**

The enterprise is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the enterprise has neither the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.

- **Consistency: -**

It is assumed that accounting policies are consistent from one period to another.

- **Accrual: -**

Revenues and costs are accrued, that is, recognized as they are earned or incurred (and not as money is received or paid) and recorded in the financial statements of the periods to which they relate. (The considerations affecting the process of matching costs with revenues under the accrual assumption are not dealt with in this Statement.)

## Cash Flow Statements:

Cash flows are reported using the indirect method as set out in accounting standard 3 on cash flow statement issued by the Institute of Chartered accountants of India.

## Property, Plant and Equipment and it's Depreciation and Amortization:

- **Tangible Assets:**

- ⇒ Tangible assets are stated at cost of acquisition less accumulated depreciation/ impairment losses, if any. Cost comprises of cost of acquisition, cost of improvement and any attributable cost of bringing the assets to its working condition for intended use.
- ⇒ Subsequent expenditure related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.
- ⇒ The expenses for assets which are not ready for commercial production has been recognised as capital work in progress.
- ⇒ Losses arising from the retirement of and gain or loss arising from disposal of tangible assets which are carried at cost are recognized in the statement of profit and loss.
- ⇒ Company is providing depreciation on fixed assets on straight Line method on pro-rata basis and at the rates prescribed in Schedule II of the Companies Act, 2013.
- ⇒ The Company follows policy of capitalizing the purchases of assets having value of more than Rs.10,000/-.

- **Intangible Assets:**

- ⇒ Intangible assets are amortized as per Straight line method over their useful life in accordance with the accounting standard as applicable.

- **Depreciation:**

- ⇒ Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortization on fixed assets is charged based on "Straight Line Method (SLM)" on an estimated useful life as prescribed in Schedule II The Companies Act, 2013 except where the life of the assets has been assessed as under based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating

# Siddhi Cotspin Limited

Formerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

⇒ Further, during the year concerned, the company has claimed depreciation under double shift as allowed by Schedule II of Companies Act, 2013.

⇒ Lease Hold Land has been amortized over the period of 99 years from the date of Lease Deed.

## Impairment of Assets:

- Assessment is done at each balance sheet date as to whether there is any indication that an asset (Tangible and Intangible) may be impaired.
- For assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating units. The estimation of the recoverable amount of the assets/cash generating unit is made. Assets whose carrying amount exceeds their recoverable amount are written down to recoverable amount.
- Recoverable amount is higher of an asset or Cash generating unit's net selling price and its value in use in the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.
- Assessment is also done at each balance sheet as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.
- An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

## Borrowing costs:

- Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognized as expenditure in the period in which they are incurred.

## Investments:

- On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.
- If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.
- Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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- On disposal of an investment, the difference between carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Account.

## Inventory:

- Inventories are valued at lower of cost and net realizable value and cost is computed on the basis of 'FIFO' method.
- For the purpose of valuation of manufacturing work in progress, value is determined on a specific identification basis which includes material cost and other incidental expenses that are incurred to bring the inventory to the present location and condition.
- An annual physical inventory verification is carried out throughout the year to identify and verify the inventory balances.

## Contingent Liability, Provisions and Contingent Asset:

- The Entity creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation. A provision is recognized when an entity has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent Liabilities are disclosed when the entity has a possible obligation, or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.”
- A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.
- Contingent assets are neither recorded nor disclosed in the financial statements.

## Revenue Recognition:

- **Revenue from services:**
  - ⇒ Revenue from services is recognized pro-rata over the period of the contract as and when services are rendered, and the collectability is reasonably assured. The revenue is recognized net of Goods and service tax.
  - ⇒ 'Unbilled receivables' included in other current assets represent cost and earnings in excess of billings as at the balance sheet date.
  - ⇒ 'Unearned revenues' included in other current liabilities represent billing in excess of revenue recognized.
- **Interest Income:**
  - ⇒ Interest Income is recognized on a time proportion basis considering the amount outstanding and applicable interest rate.
- **Government Grant:**
  - ⇒ Government Grants are recognized when there is a reasonable assurance that the same will be received.
  - ⇒ Revenue grants are recognized in the Statement of Profit and Loss as a deduction from the expenses related to it.

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## Earnings Per Share:

- Basic Earnings per Share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares outstanding at the end of the year.
- Diluted earnings per share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equities share outstanding at the end of the year.

## Taxes on Income:

- Taxes on income are computed whereby such taxes are accrued in the same period as the revenue and expenses to which they relate.
- Current tax liability is measured using the applicable tax rates and tax laws and the necessary provision is made annually. Deferred tax asset / liability arising out of the tax effect of timing difference is measured using the tax rate and the tax laws that have been enacted / substantially enacted at the balance sheet date.
- Deferred tax assets are recognized only if there is a reasonably certainty of their realization.

## Retirement benefits to employee Gratuity:

- The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees.
- The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.
- Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.
- The Company has not contributed all ascertained liabilities to any fund. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'.
- The Company's overall expected long- term rate-of-return on assets has been determined based on consideration of available market information, current provisions of Indian law specifying the instruments in which investments can be made, and historical returns.
- The discount rate is based on the Government securities yield.

## Other Expenditure Item:

- **Employee benefit expense:**
  - ⇒ Our employee benefit expenses include salaries, wages & bonus, contribution to provident fund and gratuity and staff welfare expenses.
- **Finance costs:**
  - ⇒ Our finance costs comprise of interest on borrowings and other borrowing costs.
- **Depreciation & Amortisation expenses:**

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⇒ Depreciation & amortisation expenses comprise of depreciation on tangible fixed assets and amortisation of intangible assets.

- **Other expenses:**

⇒ Our other expenses consist of direct and indirect expenses. Our direct expenses include Diesel expenses, repair and maintenance, site expense, vehicle rent, among others. Our indirect expenses include tender expenses, office expenses, rent and taxes, penalty, bank charges, legal expenses, professional charges, electricity expenses, uniform expenses, accounting charges, audit fees, conveyance expenses, printing and stationery, courier expenses, advertisement expenses, taxation expenses, donations, miscellaneous.

**As per our report of even date attached.**

**For and On Behalf of**

**JPMK And Company**

**Chartered Accountants**

**For and on behalf of the Board of Directors of**

**Siddhi Cotspin Limited**

**CA Jitendra Vageriya**

**Partner**

**M.NO.: 114424 FRN: 124193W**

**Navin Saraogi**

**Managing Director**

**DIN: 00623331**

**Aansh Rajesh Bindal**

**Whole Time Director**

**DIN: 10432834**

**UDIN: 24114424BKAPRK4930**

**Vardhaman  
Parimalkumar Shah**

**Chief Financial Officer**

**Jagdish Shamjibhai  
Kanzariya**

**Company Secretary**

**M.No: 47974**

**Place: Ahmedabad**

**Date: 28.03.2024**

**Place: Ahmedabad**

**Date: 28.03.2024**

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**Annexure 5: Statement Showing Share Capital As Restated**

( Amount in Lacs )

**5.1: S Statement showing details of authorised and paid up capital:**

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised Share Capital</b>				
<b>Equity Share Capital</b>				
In nos	4,900,000	4,565,000	4,565,000	4,565,000
In Amount	490.00	456.50	456.50	456.50
<b>Preference Share Capital (0.01% Cumulative CROC)</b>				
In nos	-	335,000	335,000	335,000
In Amount	-	33.50	33.50	33.50
<b>Issued, Subscribed and Paid up Share Capital</b>				
<b>Equity Share Capital</b>				
In nos	4,423,294	4,107,143	4,107,143	4,107,143
In Amount	442.33	410.71	410.71	410.71
<b>Preference Share Capital (0.01% Cumulative CROC)</b>				
In nos	-	316,151	316,151	316,151
In Amount	-	31.62	31.62	31.62
<b>Total</b>	<b>442.33</b>	<b>442.33</b>	<b>442.33</b>	<b>442.33</b>

**5.2 The reconciliation of the number of shares outstanding at each year end:**

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Equity Share Capital</b>				
Number of shares at the beginning of the year	4,107,143	4,107,143	4,107,143	4,107,143
Add: Share issued during the year	316,151	-	-	-
Add: Bonus share issued during the year	-	-	-	-
Number of shares at the end of the year	4,423,294	4,107,143	4,107,143	4,107,143
<b>Preference Share Capital (0.01% Cumulative CROC)</b>				
Number of shares at the beginning of the year	316,151	316,151	316,151	270,001
Add: Share issued during the year	-	-	-	46,150
Add: Converted during the year	(316,151)	-	-	-
Number of shares at the end of the year	-	316,151	316,151	316,151

i The Company has one class of equity shares having a par value of ₹ 10 per share.

ii Each shareholder is eligible for one vote per share held. The company has not proposed any dividend during preceding financial year.

iii In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

iv The company has not issued any bonuses or conducted any stock buybacks in the last five years.

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**Annexure 5: Statement Showing Share Capital As Restated**

( Amount in Lacs )

**5.3 Details of Shareholding more than 5% of the aggregate shares in the company:**

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Name of promoter/shareholder</b>				
<b>Equity Share Capital</b>				
<b>Dashrath Patel</b>				
Number of Shares	319,300	319,300	319,300	319,300
% of Holding	7.22%	7.77%	7.77%	7.77%
<b>Navin Saraogi</b>				
Number of Shares	1,989,286	1,989,286	1,989,286	1,989,286
% of Holding	44.97%	48.43%	48.43%	48.43%
<b>Sanjay Bindal</b>				
Number of Shares	-	1,508,012	1,508,012	1,508,012
% of Holding	0.00%	36.72%	36.72%	36.72%
<b>Aansh Bindal</b>				
Number of Shares	1,508,012	-	-	-
% of Holding	34.09%	0.00%	0.00%	0.00%
<b>Shaileshbhai Babulal Patel</b>				
Number of Shares	372,722	93,000	93,000	93,000
% of Holding	8.43%	2.26%	2.26%	2.26%
<b>Preference Share Capital (0.01% Cumulative CROC)</b>				
<b>Shaileshbhai Babulal Patel</b>				
Number of Shares	-	279,722	279,722	279,722
% of Holding	0.00%	88.48%	88.48%	88.48%
<b>Yogesh Raval</b>				
Number of Shares	-	36,429	36,429	36,429
% of Holding	0.00%	11.52%	11.52%	11.52%

**5.4 Details of Promoter's Shareholding:**

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Aggregate number of equity shares held by promoters at the year end:				
<b>No. of shares held</b>				
Navin Saraogi	1,989,286	1,989,286	1,989,286	1,989,286
Aansh Bindal	1,508,012	-	-	-
<b>% of total shares</b>				
Navin Saraogi	44.97%	48.43%	48.43%	48.43%
Aansh Bindal	34.09%	0.00%	0.00%	0.00%
<b>% change during the year</b>				
Navin Saraogi	3.46%	0.00%	0.00%	0.00%
Aansh Bindal	34.09%	0.00%	0.00%	0.00%

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**Annexure 6: Statement Showing Reserve and Surplus As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>I Security Premium</b>				
Balances at the beginning of the year	2,748.67	2,748.67	2,748.67	2,687.29
Add: - Addition during the year	-	-	-	61.38
Less: - Utilised During the year	-	-	-	-
	<b>2,748.67</b>	<b>2,748.67</b>	<b>2,748.67</b>	<b>2,748.67</b>
<b>II Profit &amp; Loss Account</b>				
Balances at the beginning of the year	2,226.78	1,625.22	859.48	631.20
Add: - Addition during the year	801.98	601.56	765.74	228.28
	<b>3,028.75</b>	<b>2,226.78</b>	<b>1,625.22</b>	<b>859.48</b>
<b>Total</b>	<b>5,777.42</b>	<b>4,975.44</b>	<b>4,373.89</b>	<b>3,608.15</b>

**Annexure 7: Statement Showing Long Term Borrowings As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>I Secured Loan</b>				
Term Loan From Scheduled Bank				
Canera Bank	-	965.45	2,516.32	3,285.12
Punjab National Bank - Term Loan 1	914.75	1,133.46	1,403.71	1,770.75
Punjab National Bank - Term Loan 2	1,092.04	1,374.77	1,722.73	2,161.00
Less: Current Maturity	(713.75)	(1,234.87)	(1,212.05)	(1,211.12)
Remaining Balances	<b>1,293.03</b>	<b>2,238.81</b>	<b>4,430.71</b>	<b>6,005.75</b>
Guaranteed emergency credit line from bank				
State Bank Of India	221.92	296.75	396.00	396.08
Punjab National Bank	126.56	168.75	225.00	3.44
Canera Bank	449.17	593.54	770.00	-
Punjab National Bank Extention	1,111.67	1,160.00	1,160.00	-
Canera Bank Extention	384.54	384.54	382.91	-
Less: Current Maturity	(734.00)	(275.87)	(347.85)	-
Remaining Balances	<b>1,559.86</b>	<b>2,327.71</b>	<b>2,586.05</b>	<b>399.52</b>

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( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>II Unsecured Loan</b>				
Inter Corporate Loan	127.14	296.63	224.16	758.87
Loan From Directors, Associates & Relatives	1,368.87	2,008.87	2,132.60	1,828.77
	<b>1,496.01</b>	<b>2,305.50</b>	<b>2,356.75</b>	<b>2,587.65</b>
<b>Total</b>	<b>4,348.90</b>	<b>6,872.03</b>	<b>9,373.52</b>	<b>8,992.92</b>

**Secure Loan:-****i Term Loan:**

**Security:** Term Loan from Schedules Banks are under Consortium and same are secured by equitable mortgage / hypothecation on all immovable and movable properties of the company, both present and future including Land under leased hold right of 99 years in favour of the company and personal guarantee of promoter directors.

**Repayment Schedule:**

Particular	Int Rate	Santioned Amount(As per Mortgage Deed Dated 14-12- 2022)	Repayment Schedule
Punjab National Bank- Term Loan 1	9.65%	1,907.00	The total of 8 Equal Quarterly installments of Rs 696 Lacs from June 2021 to March 2023, total of 4 Equal Quarterly installments of Rs 377 Lacs from June 2023 to March 2024, total of 4 Equal Quarterly installments of Rs 406 Lacs from June 2024 to March 2025, total of 3 Equal Quarterly installments of Rs 326 lacs from June 2025 to December 2025, total of 1 Quarterly installment of Rs 107 lacs on March 2026 and total of 2 Equal Quarterly installments of Rs 174 lacs from June 2026 to September 2026.
Punjab National Bank- Term Loan 2	9.65%	2,161.00	The total of 2 Equal Quarterly installments of Rs 144 Lacs from June 2021 to September 2021, total of 4 Equal Quarterly installments of Rs 264 Lacs from December 2021 to September 2022, total of 4 Equal Quarterly installments of Rs 300 Lacs from December 2022 to September 2023, total of 4 Equal Quarterly installments of Rs 320 lacs from December 2023 to September 2024, total of 4 Equal Quarterly installments of Rs 336 lacs from December 2024 to September 2025, total of 2 Equal Quarterly installments of Rs 182 lacs from June 2025 to September 2025, and total of 2 Equal Quarterly installments of Rs 158 lacs from December 2025 to March 2026.

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Particular	Int Rate	Santioned Amount	Repayment Schedule
Canera Bank	10.50%	3,285.00	The total of 16 Equal Quarterly installments of Rs 2320 Lacs from June 2021 to March 2025, total of 3 Equal Quartely instalments of Rs 438.75 Lacs from June 2025 to December 2025, total of 1 Quarterly installment of Rs 46.25 lacs on March 2026.

**ii Guaranteed emergency credit line from bank:****Primary Security:**

i. Under consotorium of SBI, PNB and Canara and same is secured by exclusive charge on the assets created out of the credit facility so extended.

**Collateral Security:**

i. 1st Pari passu charge on EMT of Land & Building, situated at 20, Magalayam Co-operative society, near ocean park, Satellite road, Ahmedabad owned by Pushpa Premchand Bindal

ii. 1st Pari passu Charge on property situated on Flat No. A-21, 2nd Floor, Riviera Heights, Near Shaligram-II, Prahladnagar Road, Vejalpur, Ahmedabad owned by Kavita sarogi and

iii. Term deposit of Rs 4.35 crore in name of the company.

**Repayment Schedule:**

Particular	Int Rate	Santioned Amount	Repayment Schedule
Punjab National Bank	9.25%	225.00	The total 48 monthly equal installment of Rs. 4.68 lacs starting from April 2021 after moratorium period of 12 months.
Punjab National Bank Extention	9.25%	1,160.00	The 48 monthly equal installment of Rs. 24.17 lacs starting from December 2022 after moratorium period of 24 months..
Canera Bank	9.25%	770.00	The 47 monthly equal installment of Rs. 16.04 lacs starting from April 2021 and 48 installment of Rs. 15.65 lacs after moratorium period of 12 months.
Canera Bank Extenetion	9.25%	385.00	The 47 monthly equal installment of Rs. 8.02 lacs starting from January 2023 and 48th installment of Rs. 8.06 lacs after moratorium period of 24 months.
State Bank Of India	9.25%	396.00	The total 48 monthly equal installment of Rs. 8.25 lacs starting from April 2021 after moratorium period of 12 months.

**iii Inter Corporate Loan:**

Intercompany loans are interest free and repayable or renewable after one year.

**iv Loan From Directors, Associates & Relatives:**

Loan from Directors and their relatives are interest free and repayable after bank term loan repayment.

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**Annexure 8: Statement Showing Deferred tax liability As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Tax On Temporary Timing Difference</b>				
Depreciation Difference	435.57	551.07	561.05	738.28
Unabsorbed Depreciation	-	-	-	(387.93)
Gratuity Expenses	(4.99)	(4.53)	(4.88)	(3.37)
<b>Total</b>	<b>430.58</b>	<b>546.54</b>	<b>556.17</b>	<b>346.98</b>

**Annexure 9: Statement Showing Long Term Provision As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
I Provisions for Gratuity	17.43	13.53	16.02	12.82
<b>Total</b>	<b>17.43</b>	<b>13.53</b>	<b>16.02</b>	<b>12.82</b>

**Annexure 10: Statement Showing Short Term Borrowings As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>I Secured Loan</b>				
<b>Working Capital Loan</b>				
Punjab National Bank	699.72	693.98	689.19	689.71
Canera Bank	399.26	348.91	301.54	303.29
State Bank of India	1,999.98	1,952.16	1,978.15	2,157.62
<b>II Current Maturities of Long Term Borrowing</b>				
Term Loan From Scheduled Bank	713.75	1,234.87	1,212.05	1,211.12
Guaranteed emergency credit line from bank	734.00	275.87	347.85	-
<b>Total</b>	<b>4,546.71</b>	<b>4,505.79</b>	<b>4,528.78</b>	<b>4,361.74</b>

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**Secure Loan from Schedule Bank:**

**i Bank Overdraft**

<b>Particular</b>	<b>Int Rate</b>	<b>Santioned Amount</b>	<b>Secured Against</b>
Punjab National Bank	9.55%	700.00	First pariahs charge against current asset of the company including Stock and receivables.
Canera Bank	10.40%	400.00	First paripassu charge against current asset of the company including Stock and receivables.
State Bank of India	9.50%	2,000.00	First paripassu charge against current asset of the company including Stock and receivables.

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**Annexure 11: Statement Showing Trade Payable As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>I Trade Payables</b>				
Micro Small and Medium Enterprises	231.49	34.38	17.58	35.35
Others	1,099.92	806.20	357.33	173.21
<b>Total</b>	<b>1,331.41</b>	<b>840.58</b>	<b>374.90</b>	<b>208.56</b>

## 11.1 Statement showing Ageing of Trade Payable For The Period Ended on 31st December 2023:

No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	MSME	231.49	-	-	-	231.49
ii	Others	1,061.85	29.18	2.75	6.15	1,099.92
iii	Disputed Dues- MSME	-	-	-	-	-
iv	Undisputed Dues - Others	-	-	-	-	-
	<b>Total</b>	<b>1,293.34</b>	<b>29.18</b>	<b>2.75</b>	<b>6.15</b>	<b>1,331.41</b>

## 11.2 Statement showing Ageing of Trade Payable For The Year 2022-2023:

No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	MSME	34.38	-	-	-	34.38
ii	Others	797.30	8.90	-	-	806.20
iii	Disputed Dues- MSME	-	-	-	-	-
iv	Undisputed Dues - Others	-	-	-	-	-
	<b>Total</b>	<b>831.68</b>	<b>8.90</b>	<b>-</b>	<b>-</b>	<b>840.58</b>

## 11.3 Statement showing Ageing of Trade Payable For The Year 2021-2022:

No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	MSME	17.58	-	-	-	17.58
ii	Others	336.21	16.21	4.91	-	357.33
iii	Disputed Dues- MSME	-	-	-	-	-
iv	Undisputed Dues - Others	-	-	-	-	-
	<b>Total</b>	<b>353.79</b>	<b>16.21</b>	<b>4.91</b>	<b>-</b>	<b>374.90</b>

**Siddhi Cotspin Limited****Formerly Known as Siddhi Cotspin Private Limited****CIN: U17123GJ2015PLC085135****Annexure 11: Statement Showing Trade Payable As Restated****( Amount in Lacs )**

11.4 Statement showing Ageing of Trade Payable For The Year 2020-2021:

No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	MSME	33.48	1.86	-	-	<b>35.35</b>
ii	Others	148.99	18.50	5.71	-	<b>173.21</b>
iii	Disputed Dues- MSME	-	-	-	-	-
iv	Undisputed Dues - Others	-	-	-	-	-
<b>Total</b>		<b>182.48</b>	<b>20.36</b>	<b>5.71</b>	-	<b>208.56</b>

11.5: Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been determined by the company to the extent such parties have been identified on the basis of information available with the company and relied upon by us.

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**Annexure 12: Statement Showing Other Current Liabilities As Restated**

( Amount in Lacs )

<b>Particular</b>	<b>As at 31st December, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
I Advances Received From Customer	0.33	0.21	1.66	3.79
II Creditors For Expenses & Others	133.64	48.04	124.13	287.43
III Statutory Payables	13.85	9.43	31.09	21.83
<b>Total</b>	<b>147.82</b>	<b>57.68</b>	<b>156.88</b>	<b>313.05</b>

**Annexure 13: Statement Showing Short Term Provision As Restated**

( Amount in Lacs )

<b>Particular</b>	<b>As at 31st December, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
I Provision for Income Tax	339.33	156.62	190.54	59.92
II Provision for Gratuity	2.40	2.01	1.51	0.13
<b>Total</b>	<b>341.73</b>	<b>158.63</b>	<b>192.05</b>	<b>60.04</b>

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Siddhi Cotspin Limited

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Annexure 14: Statement Showing Property, Plant and Equipment and Intangible Assets As Restated

14.1: Statement for the period of April 2023 to December 2023

( Amount in Lacs )

No	Particular	Gross Assets				Accumulated Depreciation				Net Block	
		Opening Balance	Addition	Sold	Total	Opening Balance	Addition	Sold	Total	April 2023 to December 2023	2022-2023
	<b>Tangible Assets</b>										
	<b>Freehold Assets</b>										
I	Computer	14.47	0.86	-	15.34	11.01	1.14	-	12.16	3.18	3.46
II	Office Equipments	4.27	-	-	4.27	2.78	0.60	-	3.38	0.89	1.49
III	Furniture and Fixtures	51.64	-	-	51.64	24.16	3.68	-	27.84	23.80	27.48
IV	Factory Building	3,618.87	-	-	3,618.87	631.10	85.95	-	717.05	2,901.82	2,987.77
V	Plant and Machinery	10,043.23	-	-	10,043.23	6,089.89	596.20	-	6,686.09	3,357.14	3,953.34
VI	Vehicle	86.67	-	-	86.67	25.40	7.72	-	33.12	53.55	61.28
	<b>Total</b>	<b>13,819.15</b>	<b>0.86</b>	<b>-</b>	<b>13,820.01</b>	<b>6,784.34</b>	<b>695.29</b>	<b>-</b>	<b>7,479.64</b>	<b>6,340.38</b>	<b>7,034.81</b>
	<b>Leasehold Assets</b>										
I	Land	624.70	-	-	624.70	35.47	4.73	-	40.20	584.50	589.23
	<b>Total</b>	<b>624.70</b>	<b>-</b>	<b>-</b>	<b>624.70</b>	<b>35.47</b>	<b>4.73</b>	<b>-</b>	<b>40.20</b>	<b>584.50</b>	<b>589.23</b>
	<b>Grand Total</b>	<b>14,443.85</b>	<b>0.86</b>	<b>-</b>	<b>14,444.71</b>	<b>6,819.81</b>	<b>700.03</b>	<b>-</b>	<b>7,519.84</b>	<b>6,924.87</b>	<b>7,624.04</b>

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Annexure 14: Statement Showing Property, Plant and Equipment and Intangible Assets As Restated

14.2: Statement for the year 2022-2023

( Amount in Lacs )

No	Particular	Gross Assets				Accumulated Depreciation				Net Block	
		Opening Balance	Addition	Sold	Total	Opening Balance	Addition	Sold	Total	2022-2023	2021-2022
	<b>Tangible Assets</b>										
	<b>Freehold Assets</b>										
I	Computer	12.94	1.53	-	14.47	9.70	1.31	-	11.01	3.46	3.24
II	Office Equipments	3.27	1.00	-	4.27	1.81	0.97	-	2.78	1.49	1.46
III	Furniture and Fixtures	51.33	0.31	-	51.64	19.36	4.80	-	24.16	27.48	31.97
IV	Factory Building	3,618.87	-	-	3,618.87	516.51	114.60	-	631.10	2,987.77	3,102.37
V	Plant and Machinery	9,806.86	236.37	-	10,043.23	5,306.39	783.49	-	6,089.89	3,953.34	4,500.46
VI	Vehicle	52.52	34.15	-	86.67	17.28	8.11	-	25.40	61.28	35.23
	<b>Total</b>	<b>13,545.79</b>	<b>273.37</b>	<b>-</b>	<b>13,819.15</b>	<b>5,871.05</b>	<b>913.29</b>	<b>-</b>	<b>6,784.34</b>	<b>7,034.81</b>	<b>7,674.73</b>
	<b>Leasehold Assets</b>										
I	Land	624.70	-	-	624.70	29.16	6.31	-	35.47	589.23	595.54
	<b>Total</b>	<b>624.70</b>	<b>-</b>	<b>-</b>	<b>624.70</b>	<b>29.16</b>	<b>6.31</b>	<b>-</b>	<b>35.47</b>	<b>589.23</b>	<b>595.54</b>
	<b>Grand Total</b>	<b>14,170.48</b>	<b>273.37</b>	<b>-</b>	<b>14,443.85</b>	<b>5,900.21</b>	<b>919.60</b>	<b>-</b>	<b>6,819.81</b>	<b>7,624.04</b>	<b>8,270.27</b>

Siddhi Cotspin Limited

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**Annexure 14: Statement Showing Property, Plant and Equipment and Intangible Assets As Restated**

**14.3: Statement for the year 2021-2022**

No	Particular	Gross Assets				Accumulated Depreciation				Net Block	
		Opening Balance	Addition	Sold	Total	Opening Balance	Addition	Sold	Total	2021-2022	2020-2021
	<b>Tangible Assets</b>										
	<b>Freehold Assets</b>										
I	Computer	10.53	2.41	-	12.94	9.02	0.68	-	9.70	3.24	1.51
II	Office Equipments	2.29	0.98	-	3.27	1.25	0.55	-	1.81	1.46	1.03
III	Furniture and Fixtures	48.08	3.25	-	51.33	14.63	4.73	-	19.36	31.97	33.45
IV	Factory Building	3,565.28	53.60	-	3,618.87	402.73	113.78	-	516.51	3,102.37	3,162.55
V	Plant and Machinery	9,806.86	-	-	9,806.86	3,754.32	1,552.07	-	5,306.39	4,500.46	6,052.54
VI	Vehicle	28.85	23.66	-	52.52	13.50	3.78	-	17.28	35.23	15.35
	<b>Total</b>	<b>13,461.88</b>	<b>83.90</b>	<b>-</b>	<b>13,545.79</b>	<b>4,195.45</b>	<b>1,675.60</b>	<b>-</b>	<b>5,871.05</b>	<b>7,674.73</b>	<b>9,266.43</b>
	<b>Leasehold Assets</b>										
I	Land	624.70	-	-	624.70	22.85	6.31	-	29.16	595.54	601.85
	<b>Total</b>	<b>624.70</b>	<b>-</b>	<b>-</b>	<b>624.70</b>	<b>22.85</b>	<b>6.31</b>	<b>-</b>	<b>29.16</b>	<b>595.54</b>	<b>601.85</b>
	<b>Grand Total</b>	<b>14,086.58</b>	<b>83.90</b>	<b>-</b>	<b>14,170.48</b>	<b>4,218.30</b>	<b>1,681.91</b>	<b>-</b>	<b>5,900.21</b>	<b>8,270.27</b>	<b>9,868.28</b>

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Annexure 14: Statement Showing Property, Plant and Equipment and Intangible Assets As Restated

14.4: Statement for the year 2020-2021

No	Particular	Gross Assets				Accumulated Depreciation				Net Block	
		Opening Balance	Addition	Sold	Total	Opening Balance	Addition	Sold	Total	2020-2021	2019-2020
	<b>Tangible Assets</b>										
	<b>Freehold Assets</b>										
I	Computer	9.68	0.85	-	10.53	6.69	2.34	-	9.02	1.51	2.99
II	Office Equipments	2.12	0.17	-	2.29	0.83	0.42	-	1.25	1.03	1.28
III	Furniture and Fixtures	47.58	0.50	-	48.08	10.08	4.55	-	14.63	33.45	37.50
IV	Factory Building	3,558.73	6.55	-	3,565.28	290.04	112.69	-	402.73	3,162.55	3,268.69
V	Plant and Machinery	9,586.53	220.33	-	9,806.86	2,613.80	1,140.52	-	3,754.32	6,052.54	6,972.73
VI	Vehicle	28.85	-	-	28.85	10.07	3.43	-	13.50	15.35	18.78
	<b>Total</b>	<b>13,233.49</b>	<b>228.40</b>	<b>-</b>	<b>13,461.88</b>	<b>2,931.51</b>	<b>1,263.94</b>	<b>-</b>	<b>4,195.45</b>	<b>9,266.43</b>	<b>10,301.97</b>
	<b>Leasehold Assets</b>										
I	Land	624.70	-	-	624.70	16.54	6.31	-	22.85	601.85	608.16
	<b>Total</b>	<b>624.70</b>	<b>-</b>	<b>-</b>	<b>624.70</b>	<b>16.54</b>	<b>6.31</b>	<b>-</b>	<b>22.85</b>	<b>601.85</b>	<b>608.16</b>
	<b>Grand Total</b>	<b>13,858.18</b>	<b>228.40</b>	<b>-</b>	<b>14,086.58</b>	<b>2,948.05</b>	<b>1,270.25</b>	<b>-</b>	<b>4,218.30</b>	<b>9,868.28</b>	<b>10,910.13</b>

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**Annexure 15: Statement Showing Non current Investment As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Investment</b>				
Investment in share	0.01	0.01	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>

**Annexure 15.1: Statement Showing Details of Investment As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Spinners Association				
No of Shares	50	50	50	50
Face Value	10	10	10	10
Unquoted rate	10	10	10	10
Value of Investment (In Rs)	500	500	500	500

**Annexure 16: Statement Showing Other Non Current Assets As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>I Deposits</b>				
Fixed Deposits with Bank (Refer Note 16.1)	101.20	101.20	236.55	240.00
Security Deposit with Vendors	2.40	2.40	2.33	-
<b>Total</b>	<b>103.59</b>	<b>103.59</b>	<b>238.88</b>	<b>240.00</b>

**Annexure 16.1: Statement Showing Lien of Deposits As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Deposits Against EPCG	56.05	56.05	56.05	59.49
Deposits Against UGVCL	45.15	45.15	180.51	180.51

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**Annexure 17: Statement Showing Inventories As Restated**

( Amount in Lacs )

<b>Particular</b>	<b>As at 31st December, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
I Raw Material	764.04	66.58	1,561.34	1,232.33
II Work in Process	192.66	111.31	204.20	198.52
III Finished Goods	1,586.98	1,945.70	1,071.42	371.31
IV Packing Material & Stores & Spares material	65.09	91.56	50.92	71.88
V Stock in Trade	230.24	-	-	-
<b>Total</b>	<b>2,839.01</b>	<b>2,215.15</b>	<b>2,887.88</b>	<b>1,874.05</b>

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Annexure 18: Statement Showing Trade Receivables As Restated

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables	5,246.56	4,806.40	4,352.07	3,111.81
<b>Total</b>	<b>5,246.56</b>	<b>4,806.40</b>	<b>4,352.07</b>	<b>3,111.81</b>

18:1 Statement showing Ageing of Trade Receivables For The Period Ended as on 31st December 2023:

No	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i	<b>Undisputed Trade receivables</b>						
	Considered Good	5,098.20	139.91	-	-	8.45	<b>5,246.56</b>
	Considered Doubtful	-	-	-	-	-	-
ii	<b>Disputed Trade receivables</b>						
	Considered Good	-	-	-	-	-	-
	Considered Doubtful	-	-	-	-	-	-
	<b>Total</b>	<b>5,098.20</b>	<b>139.91</b>	<b>-</b>	<b>-</b>	<b>8.45</b>	<b>5,246.56</b>

18:2 Statement showing Ageing of Trade Receivables For The Year 2022-2023:

No	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i	<b>Undisputed Trade receivables</b>						
	Considered Good	4,682.33	115.66	0.26	-	8.16	<b>4,806.40</b>
	Considered Doubtful	-	-	-	-	-	-
ii	<b>Disputed Trade receivables</b>						
	Considered Good	-	-	-	-	-	-
	Considered Doubtful	-	-	-	-	-	-
	<b>Total</b>	<b>4,682.33</b>	<b>115.66</b>	<b>0.26</b>	<b>-</b>	<b>8.16</b>	<b>4,806.40</b>

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**Annexure 18: Statement Showing Trade Receivables As Restated**

( Amount in Lacs )

## 18:3 Statement showing Ageing of Trade Receivables For The Year 2021-2022:

No	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i	<b>Undisputed Trade receivables</b>						
	Considered Good	4,340.74	0.81	2.36	7.06	1.10	<b>4,352.07</b>
	Considered Doubtful	-	-	-	-	-	-
ii	<b>Disputed Trade receivables</b>						
	Considered Good	-	-	-	-	-	-
	Considered Doubtful	-	-	-	-	-	-
	<b>Total</b>	<b>4,340.74</b>	<b>0.81</b>	<b>2.36</b>	<b>7.06</b>	<b>1.10</b>	<b>4,352.07</b>

## 18:4 Statement showing Ageing of Trade Receivables For The Year 2020-2021:

No	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i	<b>Undisputed Trade receivables</b>						
	Considered Good	3,027.81	82.90	-	1.10	-	<b>3,111.81</b>
	Considered Doubtful	-	-	-	-	-	-
ii	<b>Disputed Trade receivables</b>						
	Considered Good	-	-	-	-	-	-
	Considered Doubtful	-	-	-	-	-	-
	<b>Total</b>	<b>3,027.81</b>	<b>82.90</b>	<b>-</b>	<b>1.10</b>	<b>-</b>	<b>3,111.81</b>

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**Annexure 19: Statement Showing Cash and Cash Equivalents As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>I Cash And Cash Equivalents</b>				
<b>Cash In Hand</b>	3.83	4.51	3.04	0.92
<b>Balances with Bank</b>				
In Current Account	91.88	601.83	1,152.56	216.98
In Deposits				
- Maturity of Less Than 3 Months	-	-	-	-
<b>II Other Balances</b>				
Maturity of More Than 3 Months and Less Than 12 Months	51.00	866.71	836.82	766.00
Maturity of More Than 12 Months	101.20	101.20	236.55	240.00
<b>Less: Deposits with Maturity of more Than 12 Months</b>	(101.20)	(101.20)	(236.55)	(240.00)
<b>Total</b>	<b>146.71</b>	<b>1,473.05</b>	<b>1,992.42</b>	<b>983.89</b>

**Annexure 20: Statement Showing Short Term Loans And Advances As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
MAT Credit Entitlement	-	143.39	295.78	227.52
Advances to Suppliers	1,349.75	1,349.13	545.92	671.34
Balance With Government Authorities	707.01	610.89	1,370.04	1,292.42
Loan to Employees	8.62	9.61	1.56	1.11
Loan to Other Parties	14.90	-	-	-
Prepaid Expenses	28.59	26.80	23.38	11.14
<b>Total</b>	<b>2,108.86</b>	<b>2,139.82</b>	<b>2,236.67</b>	<b>2,203.52</b>

**Annexure 21: Statement Showing Other Current Assets As Restated**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Interest on Fixed Deposit Receivable	14.72	50.50	36.34	65.04
<b>Total</b>	<b>14.72</b>	<b>50.50</b>	<b>36.34</b>	<b>65.04</b>

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**Annexure 22: Statement Showing Revenue From Operations As Restated**

( Amount in Lacs )

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
I Sale Of Goods	35,739.99	19,932.60	40,238.93	13,744.67
<b>Total</b>	<b>35,739.99</b>	<b>19,932.60</b>	<b>40,238.93</b>	<b>13,744.67</b>

**Annexure 22.1: Statement Showing Product Wise Revenue From Operations As Restated**

( Amount in Lacs )

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
I Cotton	3.73	14.65	73.07	43.86
II Yarn	34,856.99	19,553.84	39,502.19	13,079.61
IV Fabric	549.89	-	-	-
V Waste	329.37	364.11	663.67	621.21
<b>Total Value</b>	<b>35,739.99</b>	<b>19,932.60</b>	<b>40,238.93</b>	<b>13,744.67</b>

**Annexure 22.2: Statement Showing Geography Wise Revenue From Operations As Restated**

( Amount in Lacs )

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
<b>I In India</b>				
Andhra Pradesh	14.29	-	-	-
Dadra and Nagar Haveli	-	-	188.09	-
Delhi	82.32	-	-	-
Gujarat	35,395.55	18,894.51	34,781.50	10,704.21
Haryana	10.00	17.20	168.19	15.72
Karnataka	54.01	-	-	-
Madhya Pradesh	-	0.75	420.22	59.00
Maharashtra	-	45.84	17.99	-
Punjab	28.29	-	140.12	283.68
Rajasthan	9.50	10.55	344.44	383.69
UttarPradesh	12.36	-	8.68	-
West Bengal	6.59	-	61.92	-
	<b>35,612.91</b>	<b>18,968.85</b>	<b>36,131.16</b>	<b>11,446.31</b>
<b>II Outside India</b>				
Through Merchant Exporter (Deemed Export)	127.08	963.75	3,979.04	2,237.42
Through Direct Export				
Bangladesh	-	-	128.73	-
Thailand	-	-	-	60.94
	<b>127.08</b>	<b>963.75</b>	<b>4,107.78</b>	<b>2,298.36</b>
<b>Total Value</b>	<b>35,739.99</b>	<b>19,932.60</b>	<b>40,238.93</b>	<b>13,744.67</b>

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**Annexure 23: Statement Showing Other Income As Restated**

( Amount in Lacs )

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
I Duty Drawback on Export	-	-	2.37	0.79
II Interest Income	25.29	54.57	62.79	58.38
III Rent Income	-	0.45	0.40	-
IV Foreign Currency Flactuation Gain	-	0.59	0.90	-
<b>Total</b>	<b>25.29</b>	<b>55.61</b>	<b>66.45</b>	<b>59.18</b>

**Annexure 24: Statement Showing Cost of Materials Consumed As Restated**

( Amount in Lacs )

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
Opening stock	66.58	1,561.34	1,232.33	823.40
Purchase Made During The Year	31,508.54	14,894.89	33,862.17	9,311.82
Less: Closing Stock	764.04	66.58	1,561.34	1,232.33
<b>Total</b>	<b>30,811.07</b>	<b>16,389.65</b>	<b>33,533.16</b>	<b>8,902.89</b>

**Annexure 25: Statement Showing Purchase of Stock in Trade As Restated**

( Amount in Lacs )

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
Purchase of Stock In Trade	606.89	-	-	-
<b>Total</b>	<b>606.89</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**Annexure 26: Statement Showing Changes in Inventory As Restated**

( Amount in Lacs )

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
<b>1 Work-In-Progress</b>				
Opening Stock	111.31	204.20	198.52	179.39
Closing Stock	192.66	111.31	204.20	198.52
	<b>(81.36)</b>	<b>92.90</b>	<b>(5.68)</b>	<b>(19.13)</b>
<b>2 Finished Goods</b>				
Opening Stock	1,945.70	1,071.42	371.31	607.95
Closing Stock	1,586.98	1,945.70	1,071.42	371.31
	<b>358.72</b>	<b>(874.29)</b>	<b>(700.10)</b>	<b>236.63</b>
<b>3 Stock In Trade</b>				
Opening Stock	-	-	-	-
Closing Stock	230.24	-	-	-
	<b>(230.24)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>47.12</b>	<b>(781.39)</b>	<b>(705.78)</b>	<b>217.50</b>

**Annexure 27: Statement Showing Employee Benefits Expense As Restated**

( Amount in Lacs )

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
I Salaries, Wages and Bonus	447.05	468.34	673.38	493.39
II Director's Remuneration	13.50	18.00	18.00	15.75
III Contribution To Employee Welfare Fund	19.20	12.87	21.08	20.43
<b>Total</b>	<b>479.75</b>	<b>499.21</b>	<b>712.47</b>	<b>529.57</b>

**Annexure 28: Statement Showing Finance Costs As Restated**

( Amount in Lacs )

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
I Other Borrowing Cost	31.42	42.35	43.54	117.01
II Interest on Term Loan	222.23	322.67	168.47	407.86
III Interest on Cash Credit	378.11	375.21	355.79	281.30
IV Interest on Unsecured Loan	10.97	12.64	8.57	11.65
<b>Total</b>	<b>642.73</b>	<b>752.86</b>	<b>576.37</b>	<b>817.82</b>

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**Annexure 29: Statement Showing Other Expenses As Restated**

( Amount in Lacs )

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
<b>I Operational Expenses</b>				
Freight & Transport	17.48	43.65	330.45	101.48
Oil & Lubricants	7.84	10.96	54.06	10.74
Power and Fuel	829.67	735.41	1,031.68	907.78
Repairs & Maintenance	8.05	13.70	31.92	9.25
<b>Packing, Store and Spares Expenses</b>				
Opening Stock	91.56	50.92	71.88	71.91
Purchase Made During the year	146.00	235.62	906.25	367.41
Closing Stock	(65.09)	(91.56)	(50.92)	(71.88)
Testing & Inspection	0.08	0.21	1.05	0.47
<b>II Administrative Expenses</b>				
Auditor Remuneration	2.25	1.50	1.10	1.20
Conveyance & Travelling	1.89	3.97	4.99	2.99
Corporate Social Responsibility	-	13.36	1.46	-
General Office Expense	2.96	12.90	12.41	10.13
House Keeping	4.96	11.18	19.26	16.50
Insurance	40.35	41.91	42.39	43.45
Legal & Professional Charges	22.23	52.10	72.22	68.05
Rent, Rates & Taxes	10.57	22.09	15.86	13.51
Repairs & Maintenance	77.92	57.30	237.10	22.45
Security Service Charges	16.34	18.03	19.96	18.54
Stationary & Printing	1.15	1.25	1.72	1.12
Telephone & Communication	3.02	5.58	4.86	5.49
Transportation Expenses for Staff	2.54	3.70	14.75	15.70
<b>III Selling and Distribution Expenses</b>				
Commission	20.67	28.35	449.59	79.85
Foreign Currency Flactuation Expense	-	-	-	1.43
Hotel & Business Promotion	2.03	0.26	0.63	2.12
Rebate & Discount	-	-	-	-
Transportation Expenses	67.41	42.42	133.96	67.54
<b>Total</b>	<b>1,311.87</b>	<b>1,314.83</b>	<b>3,408.63</b>	<b>1,767.22</b>

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**Annexure 30: Statement Showing Earnings per equity share (In Rupees) As Restated**

Particular	April 2023 - December 2023	2022-23	2021-22	2020-21
<b>Pre Bonus</b>				
Number of shares at the beginning of the year	4,107,143	4,107,143	4,107,143	4,107,143
Number of shares at the end of the year	4,423,294	4,107,143	4,107,143	18,071,429
<b>Post Bonus</b>				
Number of shares at the beginning of the year	18,071,429	18,071,429	18,071,429	18,071,429
Number of shares at the end of the year	19,462,494	18,071,429	18,071,429	18,071,429
Weighted average number of shares	19,208,421	19,146,340	19,146,340	19,146,340
Diluted Weighted average number of shares	19,462,491	19,462,491	19,462,491	19,442,893
Profit After Tax	801.98	601.56	765.74	228.28
Profit After Tax After Considering Dilution	801.98	601.56	765.74	228.28
Basic Earning Per Share (In Rs.)	4.18	3.14	4.00	1.19
Diluted Earning Per Share (In Rs.)	4.12	3.09	3.93	1.17

**Annexure 31: Statement Showing Contingent Liabilities As Restated:**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
I Bank Guarantee Given to Government Under EPCG Scheme	184.17	184.17	184.17	191.35
II Bank Guarantee Given to UGVCL	180.51	180.51	180.51	180.51
III Custom Duty Agaist Export Obligation	40.78	40.78	245.71	741.37

**Annexure 32: Statement Showing Disclosure Regarding Corporate Social Responsibility As Restated:**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Average Profit of Three Years	531.86	422.84		
Prescribed CSR expenditure	10.64	8.46		
Amount spent	-	13.36		
Shortfall/ (Excess)	10.64	(4.90)		
Previous year shortfall/ (Excess)	(4.90)	-		Not Applicable
Total shortfall	5.73	-		
<b>Details of Amount spent</b>				
Construction / acquisition of any asset	-	-		
Other than above	-	13.36		

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**Annexure 33: Statement Showing Analytical Ratios As Restated:**

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
I Current Ratio	1.63	1.92	2.19	1.67
II Debt Equity Ratio	1.43	2.10	2.89	3.30
III Debt Service Coverage Ratio	1.00	0.98	1.71	1.36
IV Return On Equity Ratios	13.78%	11.76%	17.27%	5.82%
V Inventory Turnover Ratio	12.60	6.82	15.08	5.79
VI Trade Receivables Turnover Ratio	7.11	4.35	10.78	3.92
VII Trade Payables Turnover Ratio	29.15	24.90	119.18	13.40
VIII Net Capital Turnover Ratio	7.85	3.50	8.43	4.83
IX Net Profit Ratio	2.24%	3.02%	1.90%	1.66%
X Return On Capital Employed	10.65%	8.46%	8.45%	5.37%

**Annexure 33.1: Comments on Difference in Ratios of F.Y. 2020-2021 and F.Y. 2021-2022:****I Current Ratio**

Due to increase in business operation the trade receivables and cash equivalents increased exponentially thereby affecting current ratio.

**II Debt Service Coverage Ratio**

Delta in Profit rate is more than the new borrowing and thus the debt service coverage ratio had improved.

**III Return on Equity and Return on Capital Employed**

High absolute amount of profit affected the Return on equity and return on capital employed ratio.

**IV Turnover Ratios**

Due to drastic increase in demand of the product in the market at that point of time, the company had increased the scope of its operations, which resulted into changes in all turnover ratios.

**Annexure 33.2: Comments on Difference in Ratios of F.Y. 2021-2022 and F.Y. 2022-2023:****I Debt Equity Ratio**

Due to reduction of debt in company's net worth the debt equity ratio decreased.

**II Debt Service Coverage Ratio**

There were increase in repayment liability of immediately succeeding year regarding term loan because of which the Debt coverage capacity of the Company had decreased.

**III Turnover Ratios**

Due to slump in demand of textile market the scope of the company's operations has reduced drastically, which resulted in reduction of turnover ratios.

**IV Net Profit Ratio**

Negative delta in revenue is more than the changes in profit, this is increase in overall profit ratio.

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**Annexure 34: Statement Showing Accounting and Other Ratios As Restated:**

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Net Profit as Restated	801.98	601.56	765.74	228.28
Add: Depreciation	700.03	919.60	1,681.91	1,270.25
Add: Finance Cost	642.73	752.86	576.37	817.82
Add: Income Tax/ Deferred Tax	363.84	291.89	332.88	70.31
Less: Other Income	(25.29)	(55.61)	(66.45)	(59.18)
EBITDA	2,483.28	2,510.30	3,290.45	2,327.48
Total Revenue From Operation	35,739.99	19,932.60	40,238.93	13,744.67
EBITDA Margin (%)	6.95%	12.59%	8.18%	16.93%
Net Worth as Restated	6,219.75	5,417.77	4,816.22	4,050.48
Return on Net worth (%) as Restated	12.89%	11.10%	15.90%	5.64%
Equity Share at the end of year (in Nos.)	4,423,294	4,107,143	4,107,143	4,107,143
Weighted No. of Equity Shares (Pre Bonus)	4,169,224	4,107,143	4,107,143	4,107,143
Weighted No. of Equity Shares (Post-Bonus)	19,208,421	19,146,340	19,146,340	19,146,340
Diluted Weighted No. of Equity Shares (Pre Bonus)	4,423,294	4,423,294	4,423,294	4,403,696
Diluted Weighted No. of Equity Shares (Post Bonus)	19,462,491	19,462,491	19,462,491	19,442,893
<b>EPS Pre Bonus</b>				
Basic Earnings per Equity Share as Restated	19.24	14.65	18.64	5.56
Diluted Earnings per Equity Share as Restated	18.13	13.60	17.31	5.18
<b>EPS Post Bonus</b>				
Basic Earnings per Equity Share as Restated	4.18	3.14	4.00	1.19
Diluted Earnings per Equity Share as Restated	4.12	3.09	3.93	1.17
Net Asset Value per Equity share as Restated	140.61	131.91	117.26	98.62
Net Asset Value per Equity share as Restated after considering Bonus	31.96	28.30	25.15	21.16

**Note:**

i EBITDA Margin = EBITDA/Total Revenue

ii Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year.

iii Return on Net worth (%) = Restated Profit after taxation / Closing Net worth x 100

iv Net asset value/Book value per share (₹) = Net worth / No. of equity shares

v The Company does not have any revaluation reserves or extra-ordinary items.

vi The company has allotted Equity Shares as Bonus Share in the ratio of 1:3.4.

**Siddhi Cotspin Limited****Formerly Known as Siddhi Cotspin Private Limited****CIN: U17123GJ2015PLC085135****Annexure 35: Statement Showing Details of Related Party and Their Relation With the Company:****( Amount in Lacs )**

Sr No	Name Of Person	Relation With The Company
1	Navin Saraogi	Director and Key Managerial Person
2	Aansh Bindal (Appointed as Director w.e.f 21.12.2023)	
3	Sanjay Bindal (Resigned From Directship w.e.f 24.01.2024)	
4	Jagdish Shamjibhai Kanzariya (Appointed as Company Secretary w.e.f 09.10.2023)	
5	Dashrath Patel	Shareholder
6	Navin Saraogi	
7	Sanjay Bindal	
8	Pushpa Bindal	Relatives Of director
9	Rajesh Bindal	
10	K S Solutions (Earlier known as Krishna Fabrics)	Enterprise in which KMP has direct control
11	United Tex Chem Solution Private Limited	
12	Bindal Worldwide Private Limited	
13	Siddhi Weaves Private Limited	
14	Bhavana Textiles Private Limited	
15	Shivtex Spinning Private Limited	
16	Dholi Speciality Private Limited	

**Annexure 35.1: Statement Showing Details Of Related Party Transactions:**

Sr No	Particular	Nature Of Transaction	April 2023 - December 2023	2022-23	2021-22	2020-21
1	Aansh Bindal	Rent	0.20	-	-	-
2	Rajesh Bindal	Rent	-	1.20	0.50	1.20
3	Jagdish Shamjibhai Kanzariya	Salary	1.48	-	-	-
4	Bhavana Textiles Pvt Ltd	Sales	-	-	58.59	24.30
5	K S Solutions	Purchase	-	-	68.25	1.00
6	Navin Saraogi	Director's Remuneration	2.25	3.00	3.00	0.75
		Loan Taken	180.00	-	-	-
		Loan Repaid	110.00	448.72	-	-
7	Pushpa Bindal	Loan Taken	-	630.00	541.90	-
		Loan Repaid	350.00	375.00	238.08	130.00
		Rent	2.70	3.60	3.60	3.60

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Sr No	Particular	Nature Of Transaction	April 2023 - December 2023	2022-23	2021-22	2020-21
8	Sanjay Bindal	Director's Remuneration	11.25	15.00	15.00	15.00
		Loan Taken	-	350.00	-	-
		Loan Repaid	360.00	280.00	-	25.00
9	Shivtex Spinning Private Limited	Purchase	-	1.46	-	-
		Sales	6,479.23	34.52	201.21	51.47
10	Siddhi Weaves Private Limited	Sales	-	1.85	2.83	-
		Sales Return	-	2.83	-	-
11	United Tex Chem Solution Private Limited	Purchase	-	-	0.10	-
12	Bindal Worldwide Private Limited	Loan Repaid	-	107.90	200.00	25.00
13	Dholi Specilaity Private Limited	Loan Given	14.90	-	-	-

**Annexure 35.2: Statement Showing Closing Balances of Related Parties:**

Sr No	Particular	Nature Of Balances	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
1	Bhavana Textiles Pvt Ltd	Debtors	-	-	16.45	10.92
2	Navin Saraogi	Loan	(308.47)	(238.47)	(687.19)	(687.19)
3	Pushpa Bindal	Creditors	(0.27)	-	-	(0.28)
4	Pushpa Bindal	Loan	(319.69)	(669.69)	(414.69)	(110.87)
5	Rajesh Bindal	Creditors	-	-	-	(0.10)
6	Aansh Bindal	Creditors	(0.20)	-	-	-
7	Sanjay Bindal	Loan	(740.71)	(1,100.71)	(1,030.71)	(1,030.71)
8	Shivtex Spinning Private Limited	Debtors	(0.05)	-	-	-
9	Siddhi Weaves Private Limited	Debtors	-	0.11	2.97	-

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**Annexure 36: Disclosures Regarding Employee Benefit Expenses****36.1 Funded Status Of Plan:**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Present value of unfunded obligations	19.83	15.55	17.53	12.94
Present value of funded obligations	-	-	-	-
Fair value of plan assets	-	-	-	-
Net Liability (Asset)	19.83	15.55	17.53	12.94

**36.2 Profit and loss account for the period:**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Current service cost	4.28	(1.98)	4.59	3.91
Interest on obligation	-	-	-	-
Expected return on plan assets	-	-	-	-
Total included in 'Employee Benefit Expense'	4.28	(1.98)	4.59	3.91

**36.3 Defined Benefit Obligation:**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Opening Defined Benefit Obligation	15.55	17.53	12.94	9.03
Current service cost	4.28	(1.98)	4.59	3.91
Closing Defined Benefit Obligation	19.83	15.55	17.53	12.94

**36.3 Reconciliation of Net Defined Liability:**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Net opening provision in books of accounts	15.55	17.53	12.94	9.03
Employee Benefit Expense as per 3.2	4.28	(1.98)	4.59	3.91
	<b>19.83</b>	<b>15.55</b>	<b>17.53</b>	<b>12.94</b>
Benefits paid by the Company	-	-	-	-
Closing provision in books of accounts	19.83	15.55	17.53	12.94

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**36.4 Principle actuarial assumptions:**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Discount Rate	7.27% p.a.	7.35% p.a.	6.70% p.a.	6.26% p.a.
Expected Return on Plan Assets	NA	NA	NA	NA
Salary Growth Rate	6.00% p.a.	6.00% p.a.	6.00% p.a.	6.00% p.a.
Mortality Age Rate ( <i>Refer * and **</i> )				
Age 18	0.000675	0.000675	0.000675	0.000800
Age 25	0.000941	0.000941	0.000941	0.000984
Age 35	0.001253	0.001253	0.001253	0.001282
Age 45	0.002688	0.002688	0.002688	0.002874
Age 55	0.006576	0.006576	0.006576	0.007888
Age 65	0.013256	0.013256	0.013256	0.017009
Retirement Age	60 Years	60 Years	60 Years	60 Years
Attrition Rates				
For 0 to 2 Years	30.00% p.a.	30.00% p.a.	30.00% p.a.	30.00% p.a.
For 3 Years to 4 Years	20.00% p.a.	20.00% p.a.	20.00% p.a.	20.00% p.a.
5 years and above	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.

\* For fiscal year 2020-2021, the Indian Assured Lives Mortality 2006-2008 ultimate report was used as a reference.

\*\* For Fiscal year 2021-2022, 2022-2023 and period ended on 31.12.2023, the Indian Assured Lives Mortality 2012-14 (Urban) report was used as reference.

**36.5 Table of Experience Adjustment:**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Defined Benefit Obligation	19.83	15.55	17.53	12.94
Plan Assets	-	-	-	-
Surplus/(Deficit)	(19.83)	(15.55)	(17.53)	(12.94)

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**Annexure 37: Disclosures Regarding Foreign Currency Transaction and Balances:**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>FOB Value Of Exports</b>				
Export of Yarn	-	-	124.63	60.12
<b>CIF Value of Import</b>				
Machinery	-	-	-	22.69
Stores and Spares	-	5.66	37.69	0.87

The year end foreign currency exposures (receivables and payables) are not hedged by the Company.

**Annexure 38: Other Disclosure:****i Segemet Reporting:**

> As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

**ii Crypto Currency:**

> The Company has neither traded nor invested in Crypto currency or Virtual Currency during the year ended on March 31, 2021, 2022 & 2023 and during the 9 months ended December 31, 2023.

> Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

**iii Undisclosed Income:**

> During the Period, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961.

**iv Relationship With Striked off Company:**

> The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended on March 31, 2021, 2022 & 2023 and during the 9 months ended December 31, 2023.

**v Compliance With No of Layers of Company:**

> The Company is in compliance with the number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended on March 31, 2021, 2022 & 2023 and during the 9 months ended December 31, 2023.

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**vi Utilisation Of Borrowed Funds And Share Premium:**

During the year ended on March 31, 2021, 2022 & 2023 and during the 9 months ended December 31, 2023, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), > including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

During the year ended on March 31, 2021, 2022 & 2023 and during the 9 months ended December 31, 2023, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether > recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

**vii The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.**

**ix No proceeding have been initiated nor pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.**

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**Annexure 38: Statement Showing Reconcilliaiton of Profit:**

( Amount in Lacs )

Particular	As at 31st December, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Profit As Per Signed Balance Sheet</b>	<b>746.35</b>	<b>605.06</b>	<b>891.53</b>	<b>244.94</b>
Restatement of Revenue From Operations	-	-	-	-
Restatement of Other Income	-	-	-	(0.26)
Restatement of Cost of Materials Consumed	-	5.89	4.03	(7.78)
Restatement of Employee Benefits Expense	-	-	-	-
Restatement of Finance Costs	-	2.81	-	0.32
Restatement of Other Expenses	12.09	9.15	34.70	(35.14)
Restatement of Income Tax Expenses	(1.06)	4.96	(15.04)	7.16
Restatement of Deferred Tax Expenses	59.76	(22.69)	(40.82)	26.19
Restatement of MAT	(15.16)	(3.62)	(108.66)	(7.16)
<b>Profit As Per Restated Statement</b>	<b>801.98</b>	<b>601.56</b>	<b>765.74</b>	<b>228.28</b>

**Annexure 39: Statement Showing Reconcilliaiton of Opening Equity:**

( Amount in Lacs )

Particular	As at March, 2020
<b>Equity As Per Signed Balance Sheet</b>	<b>674.22</b>
Restatement of Revenue From Operations	-
Restatement of Other Income	0.26
Restatement of Cost of Materials Consumed	(2.15)
Restatement of Finance Costs	(3.13)
Restatement of Other Expenses	(20.79)
Restatement of Deferred Tax Expenses	(17.20)
<b>Equity As Per Restated Balance Sheet</b>	<b>631.20</b>

**Siddhi Cotspin Limited**

Formerly Known as Siddhi Cotspin Private Limited

CIN: U17123GJ2015PLC085135

**Annexure 40: Tax Shield:****( Amount in Lacs )**

<b>Particular</b>	<b>As at 31st December, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
Profit Before Tax	1,165.82	893.45	1,098.62	298.59
<b>Disallowed item</b>				
i Section 36	-	-	2.31	4.72
ii Section 37	0.08	0.01	0.55	2.95
iv Donation Expenses	-	13.36	1.46	-
V Section 40A	4.28	(1.98)	4.59	3.91
<b>Allowed item</b>				
i Section 43B	-	-	-	(42.15)
<b>Dep as per Companies Act</b>	700.03	919.60	1,681.91	1,270.25
<b>Dep as per Income Tax Act, 1961</b>	(533.54)	(788.98)	(852.79)	(989.99)
<b>Unabsorbed Loss</b>	-	-	(1,492.04)	(548.28)
<b>Profit as per Income Tax</b>	1,336.66	1,035.45	444.61	-
<b>Rate of Tax</b>	25.17%	29.12%	27.82%	26.00%
<b>Tax as per Normal Provision of Tax</b>	<b>336.41</b>	<b>301.52</b>	<b>123.69</b>	-
<b>Book Profit under section 115JB</b>	-	893.45	1,098.61	298.59
<b>MAT Rate of Tax</b>	-	16.69%	17.47%	16.69%
<b>Tax as per MAT Provision</b>	-	<b>149.13</b>	<b>191.95</b>	<b>49.84</b>
<b>Income Tax Expenses</b>	<b>336.41</b>	<b>301.52</b>	<b>191.95</b>	<b>49.84</b>

**Siddhi Cotspin Limited**

**Formerly Known as Siddhi Cotspin Private Limited**

**CIN: U17123GJ2015PLC085135**

**Annexure 41: Capitalisation Statement:**

**( Amount in Lacs )**

<b>Particular</b>	<b>Pre Issue 31.12.2023</b>	<b>Post Issue</b>
<b>Borrowings:</b>		
i Long Term Debt	4,348.90	*****
ii Short Term Debt	4,546.71	*****
	<b>8,895.61</b>	<b>-</b>
<b>Shareholders' funds:</b>		
i Equity share capital	442.33	*****
ii Reserve and surplus - as restated	5,777.42	*****
	<b>6,219.75</b>	<b>-</b>
<b>Long term debt / shareholders' funds</b>	<b>0.70</b>	<b>*****</b>
<b>Total debt / shareholders' funds</b>	<b>1.43</b>	<b>*****</b>

**As per our report of even date attached.**

**For and On Behalf of  
JPMK And Company  
Chartered Accountants**

**CA Jitendra Vageriya  
Partner  
M.NO.: 114424 FRN: 124193W**

**UDIN: 24114424BKAPRK4930  
Place: Ahmedabad  
Date: 28.03.2024**

**For and on behalf of the Board of Directors of  
Siddhi Cotspin Limited**

**Navin Saraogi  
Director  
DIN: 00623331**

**Vardhaman Parimalkumar Shah  
Chief Financial Officer**

**Place: Ahmedabad  
Date: 28.03.2024**

**Aansh Rajesh Bindal  
Director  
DIN: 10432834**

**Jagdish Shamjibhai Kanzariya  
Company Secretary  
M.No: 47974**

**OTHER FINANCIAL INFORMATION**

(₹ in Lakhs)

<b>Particular</b>	<b>As at 31st December, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
Net Profit as Restated	801.98	601.56	765.74	228.28
Add: Depreciation	700.03	919.60	1,681.91	1,270.25
Add: Finance Cost	642.73	752.86	576.37	817.82
Add: Income Tax / Deferred Tax	363.84	291.89	332.88	70.31
Less: Other Income	(25.29)	(55.61)	(66.45)	(59.18)
<b>EBITDA</b>	<b>2,483.28</b>	<b>2,510.30</b>	<b>3,290.45</b>	<b>2,327.48</b>
Total Revenue From Operation	35,739.99	19,932.60	40,238.93	13,744.67
EBITDA Margin (%)	6.95%	12.59%	8.18%	16.93%
Net Worth as Restated	6,219.75	5,417.77	4,816.22	4,050.48
Return on Net worth (%) as Restated	12.89%	11.10%	15.90%	5.64%
Equity Share at the end of year (in Nos.)	4,423,294	4,107,143	4,107,143	4,107,143
Weighted No. of Equity Shares (Pre Bonus)	4,169,224	4,107,143	4,107,143	4,107,143
Weighted No. of Equity Shares (Post-Bonus)	19,208,421	19,146,340	19,146,340	19,146,340
Diluted Weighted No. of Equity Shares (Pre Bonus)	4,423,294	4,423,294	4,423,294	4,403,696
Diluted Weighted No. of Equity Shares (Post Bonus)	19,462,491	19,462,491	19,462,491	19,442,893
<b>EPS Pre Bonus</b>				
Basic Earnings per Equity Share as Restated	19.24	14.65	18.64	5.56
Diluted Earnings per Equity Share as Restated	18.13	13.60	17.31	5.18
<b>EPS Post Bonus</b>				
Basic Earnings per Equity Share as Restated	4.18	3.14	4.00	1.19
Diluted Earnings per Equity Share as Restated	4.12	3.09	3.93	1.17
Net Asset Value per Equity share as Restated	140.61	131.91	117.26	98.62
Net Asset Value per Equity share as Restated after considering Bonus	31.96	28.30	25.15	21.16
<b>Note:</b>				
i	EBITDA Margin = EBITDA/Total Revenue			
ii	Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year.			
iii	Return on Net worth (%) = Restated Profit after taxation / Closing Net worth x 100			
iv	Net asset value/Book value per share (₹) = Net worth / No. of equity shares			
v	The Company does not have any revaluation reserves or extra-ordinary items.			
vi	The company has allotted Equity Shares as Bonus Share in the ratio of 1:3.4.			

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND 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 Red Herring Prospectus. You should also read the section entitled “Risk Factors” beginning on page 24, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year” or “FY”) are to the twelve-month period ended March 31 of that year.*

The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated which is included in this Draft Red Herring Prospectus under the section titled “Restated Financial Information” beginning on page 163 of this Draft Red Herring Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under “Risk Factors” and “Forward Looking Statements” beginning on pages 24 and 16 respectively, and elsewhere in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information depend entirely on such potential investor's level of familiarity with Indian accounting practices. Please also refer to section titled “Presentation of Financial, Industry and Market data” beginning on page 14 of this Draft Red Herring Prospectus.

### **BUSINESS OVERVIEW**

Our company is benefited from the extensive experience of our Promoter and Managing Director, Mr. Navin Saraogi who is associated with our company since the incorporation and having experience of more than 20 (Twenty) years in the textile industry. Our Board of Directors and other Key Managerial Personnel has also provided significant contribution in the growth of our company.

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. We have set up a Greenfield project of manufacturing value added and specialty cotton yarn at Unit No.13, Sub Plot No. 18, Survey No. 279 & 280, Village Dholi, Taluka Dholka, District Ahmedabad, Gujarat – 382240, with a total spinning capacity of 29,376 spindles. The installed unit is capable of producing cotton yarn including value added yarns. Our current capacity for producing Cotton Yarn is 90,11,850 Kgs.

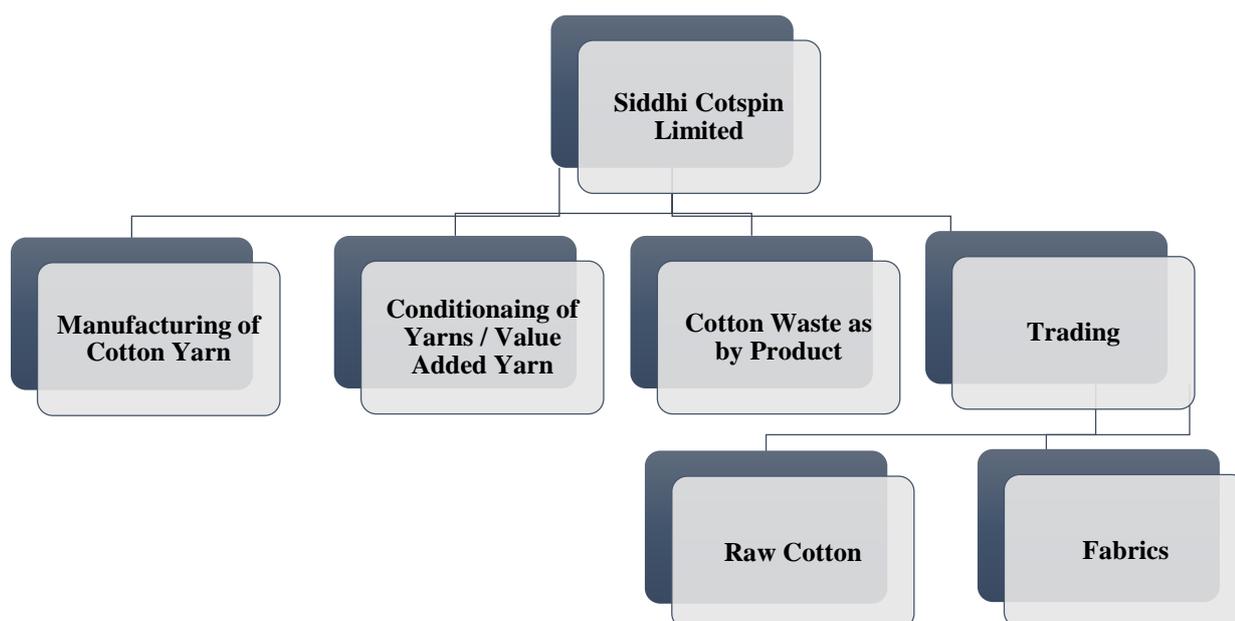
We are manufacturing various value added cotton yarns like Compact Carded Hosiery, Compact Combed Hosiery, Compact Carded Weaving, Compact Comb Weaving, Carded Weaving, Combed Weaving, Carded Hosiery, Combed Hosiery, Eli KW, Eli CW, Slub Yarn, Siro Slub Yarn, CSY-Lycra-Core Spin Yarn (Spandex), TFO Yarn - Double etc.

We also source high-quality, ready-made yarn from trusted suppliers, in our conditioning facility, we meticulously adjust the yarn's moisture content, ensuring optimal workability, vibrant colors, and flawless stitching. This revitalized yarn is then offered at competitive prices to discerning crafters, budget-conscious businesses, and eco-conscious consumers who value both quality and sustainability. By extending the lifespan of existing yarn, we empower creativity while minimizing our environmental footprint, one perfectly conditioned skein at a time.

The cotton yarn is used by many textile industries and has a good demand in the market. The yarn produced by us is mainly used in Denim industries. Our main customers are located in the Gujarat Geographical area. Though we are not exporting directly, we export the cotton yarn to many countries through Merchant Exporters.

### **OUR BUSINESS MODEL**

We derive our revenue from following business verticals:



## FINANCIAL KPIS OF OUR COMPANY

The financial performance of the company for stub period and last three years as per restated consolidated financial Statement:

(₹ in lakhs)

Particulars	For the Year/period ended on			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations (₹ in Lakhs)	35,739.99	19,932.60	40,238.93	13,744.67
Growth in Revenue from Operations (YoY %)	-	-50.46%	192.76%	-
Gross Profit (₹ in Lakhs)	4,274.90	4,324.34	7,411.55	4,624.28
Gross Profit Margin (%)	11.96%	21.69%	18.42%	33.64%
EBITDA (₹ in Lakhs)	2,483.28	2,510.30	3,290.45	2,327.48
EBITDA Margin (%)	6.95%	12.59%	8.18%	16.93%
Profit After Tax (₹ in Lakhs)	801.98	601.56	765.74	228.28
PAT Margin (%)	2.24%	3.02%	1.90%	1.66%
RoE (%)	13.78%	11.76%	17.27%	5.82%
RoCE (%)	10.65%	8.46%	8.45%	5.37%
Net Fixed Asset Turnover (In Times)	4.91	2.51	4.44	1.32
Operating Cash Flows (₹ in Lakhs)	1,824.75	2,950.53	1,180.52	1,056.43

Source: The Figure has been certified by our Peer Review Auditors, M/s. JPMK and Company, Chartered Accountants vide their certificate dated April 27, 2024.

## SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO LAST AUDITED BALANCE SHEET:

After the date of last audited financial statements i.e. December 31, 2023, the Directors of our Company confirm that, there have not been any significant material developments except mentioned below:

- The Offer has been authorized by our Board pursuant to a resolution passed at its meeting held on February 16, 2024 and by our Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on February 19, 2024 to raise funds by making an Initial Public Offering.
- Following changes in Management of the Company.

Name of Directors	Date of Event	Nature of Event	Designation
Mr. Navin Saraogi	March 28, 2024	Appointment	Chairman of the Company.

Name of Directors	Date of Event	Nature of Event	Designation
Mr. Vardhaman Parimalkumar Shah	January 04, 2024	Appointment	Chief Financial Officer of the Company.
Mr. Navin Saraogi	January 08, 2024	Change in Designation	Managing Director of the Company.
Mr. Aansh Rajesh Bindal	January 08, 2024	Change in Designation	Whole Time Director of the Company.
Ms. Drashti Laxmikant Solanki	January 08, 2024	Appointment	Independent Director of the company.
Mr. Sumit Jayantibhai Patel	January 08, 2024	Appointment	Independent Director of the company.
Mr. Aayush Kamleshbhai Shah	January 08, 2024	Appointment	Independent Director of the company.
Mr. Sanjay Bindal	January 24, 2024	Cessation	Director of the company.

- Authorized capital of the Company increased from ₹ 490.00 Lakhs divided into 49,00,000 shares of ₹ 10/- each to ₹ 2,490.00 Lakhs divided into 2,49,00,000 shares of ₹ 10/- each which was approved by Members of Company in the Extra-Ordinary General Meeting held on January 03, 2024.
- Issued bonus shares of 150,39,197 equity shares having a face value of ₹ 10/- each in the ratio of 340:100 i.e. 340 (Three Hundred Forty) equity share issued for every 100 (One Hundred) equity shares held by the shareholder dated January 03, 2024.
- Our Company has availed Working Capital Loan of ₹ 600.00 Lakhs from State Bank of India based on sanction letter dated February 01, 2024.

#### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:**

Our Company's future results of operations could be affected potentially by the following factors:

- Sourcing and Supplier Relationships;
- Inventory Management;
- Cotton Price Risk;
- Credit worthiness of our customers;
- Customer spending, demographics and general economic and market conditions in India;
- Competition;
- COVID-19 Pandemic;
- Natural Calamities e.g., Tsunami;
- Political Stability of the Country;
- Our dependence on limited number of customers for a significant portion of our revenues;
- Any failure to comply with the financial and restrictive covenants under our financing arrangements;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- The performance of the financial markets in India and globally;
- Our ability to expand our geographical area of operation;
- Concentration of ownership among our Promoters.

#### **OUR SIGNIFICANT ACCOUNTING POLICIES:**

For Significant accounting policies please refer Significant Accounting Policies and Notes to accounts, Annexure 4 beginning under Chapter titled "*Restated Financial Information*" beginning on page 163 of this Draft Red Herring Prospectus.

## RESULTS OF OUR OPERATION

The following table sets forth detailed total income data from our restated Statement of profit and loss for the stub period ended on December 31, 2023 and Financial Year ended on March 31, 2023, 2022 and 2021, the components of which are also expressed as a percentage of total Income for such period.

(₹ in Lakhs)

Particular	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	₹ in Lakhs	% of Total Income	₹ in Lakhs	% of Total Income	₹ in Lakhs	% of Total Income	₹ in Lakhs	% of Total Income
Revenue from operations	35,739.99	99.93	19,932.60	99.72	40,238.93	99.84	13,744.67	99.57
Other Income	25.29	0.07	55.61	0.28	66.45	0.16	59.18	0.43
<b>Total Income</b>	<b>35,765.28</b>	<b>100.00</b>	<b>19,988.21</b>	<b>100.00</b>	<b>40,305.39</b>	<b>100.00</b>	<b>13,803.85</b>	<b>100.00</b>
<b>Expenses</b>								
Cost of material consumed	30,811.07	86.15	16,389.65	82.00	33,533.16	83.20	8,902.89	64.50
Purchase of stock-in-trade	606.89	1.70	0.00	0.00	0.00	0.00	0.00	0.00
Changes in inventories of Stock-in-Trade	47.12	0.13	-781.39	-3.91	-705.78	-1.75	217.50	1.58
Employee benefits expense	479.75	1.34	499.21	2.50	712.47	1.77	529.57	3.84
Finance Costs	642.73	1.80	752.86	3.77	576.37	1.43	817.82	5.92
Depreciation and amortization expenses	700.03	1.96	919.60	4.60	1,681.91	4.17	1,270.25	9.20
Other Expenses	1,311.87	3.67	1,314.83	6.58	3,408.63	8.46	1,767.22	12.80
<b>Total Expenses</b>	<b>34,599.46</b>	<b>96.74</b>	<b>19,094.76</b>	<b>95.53</b>	<b>39,206.76</b>	<b>97.27</b>	<b>13,505.26</b>	<b>97.84</b>
<b>Profit/(Loss) Before Extra-Ordinary Items and Tax</b>	<b>1,165.82</b>	<b>3.26</b>	<b>893.45</b>	<b>4.47</b>	<b>1,098.62</b>	<b>2.73</b>	<b>298.59</b>	<b>2.16</b>
Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit before Tax	1,165.82	3.26	893.45	4.47	1,098.62	2.73	298.59	2.16
Total tax expense	363.84	1.02	291.89	1.46	332.88	0.83	70.31	0.51
<b>Profit and Loss for the Year as Restated</b>	<b>801.98</b>	<b>2.24</b>	<b>601.56</b>	<b>3.01</b>	<b>765.74</b>	<b>1.90</b>	<b>228.28</b>	<b>1.65</b>

### REVIEW OF RESULTS OF OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2023:

#### TOTAL INCOME:

##### Revenue from operations (RFO)

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. We have set up a Greenfield project of manufacturing value added and specialty cotton yarn at Unit No.13, Sub Plot No. 18, Survey No. 279 & 280, Village Dholi, Taluka Dholka, District Ahmedabad, Gujarat – 382240. The Total Revenue from operations for the period ended on December 31, 2023 was ₹ 35,739.99 Lakhs. Actual production stands at 6,318,541 Kgs for Cotton Yarn and 9,357,665 Kgs for value added yarn. Details of product-wise bifurcation of revenue and geography wise revenue bifurcation is as follows:

#### Product-wise Revenue from operations:

(₹ in lakhs)

Particulars	For the period ended December 31, 2023	% of RFO
(A) Sale of Goods		

Particulars	For the period ended December 31, 2023	% of RFO
• Cotton Yarn	15,097.47	42.24
• Value Added Yarn	19,759.52	55.29
<b>(B) Trading of</b>		
• Cotton	3.73	0.01
• Fabric	549.89	1.54
<b>(C) Cotton Waste</b>	329.37	0.92
<b>Total</b>	<b>35,739.99</b>	<b>100.00</b>

**Geography-wise Revenue from operations:**

(₹ in lakhs)

Particulars	For the period ended December 31, 2023	% of RFO
<b>Domestic Sales</b>		
• Gujarat	35,395.55	99.04
• Andhra Pradesh	14.29	0.04
• Dadra and Nagar Haveli		-
• Delhi	82.32	0.23
• Haryana	10.00	0.03
• Karnataka	54.01	0.15
• Madhya Pradesh		-
• Maharashtra		-
• Punjab	28.29	0.08
• Rajasthan	9.50	0.03
• Uttar Pradesh	12.36	0.03
• West Bengal	6.59	0.02
<b>Sales through Merchant Exporter (Deemed Export)</b>	127.08	0.36
<b>Export Sales</b>		
• Bangladesh	-	-
• Thailand	-	-
<b>Total</b>	<b>35,739.99</b>	<b>100.00</b>

**Other Income:**

Other income of the company was ₹ 25.29 lakhs constituting 0.07% of Total Income for the period ended December 31, 2023. Other Income mainly includes Interest Income on FDR & Others.

**EXPENDITURE:**

***Cost of materials consumed***

Our Cost of materials consumed were ₹ 30,811.07 lakhs representing 86.15% of Total Income for the period ended December 31, 2023. Cost of materials consumed includes opening balance of Raw material, Purchase of Raw Material and Closing balance of Raw material. Raw Material mainly includes Purchase of Raw Cotton, Cotton Yarn, Polyester Staple Fiber and Lycra.

***Purchases of Stock-In-Trade***

Our Purchases of Stock-In-Trade were ₹ 606.89 lakhs representing 1.70% of Total Income for the period ended December 31, 2023. Purchases of Stock-In-Trade mainly includes Purchase of Fabric.

***Changes in inventories of finished goods, work-in-progress and traded goods***

Opening stock of finished goods, work-in-progress and traded goods as on April 01, 2023 were ₹ 2,057.01 lakhs and closing stock of finished goods, work-in-progress and traded goods as on December 31, 2023 was ₹ 2,009.89 lakhs. Change in

Inventory were at ₹ 47.12 lakhs representing 0.13% of Total Income for the period ended December 31, 2023. Finished goods and traded goods mainly includes Cotton, Fabric, Cotton Yarn, Waste related to it and Stores.

#### **Employee Benefit Expenses**

Employee Benefit expenses were ₹ 479.75 lakhs representing 1.34% of Total Income for the period ended December 31, 2023. Employee Benefit Expenses mainly includes Salaries, Wages and Bonus, Director's Remuneration, Contribution to Employee Welfare Fund and other funds.

#### **Finance Cost**

Finance expense were ₹ 642.73 lakhs representing 1.80% of Total Income for the period ended December 31, 2023. Finance costs include interest expense on Term Loans and Cash credit availed from Bank & others and Other Borrowing Cost.

#### **Depreciation and Amortization**

The Depreciation and amortization expense were ₹ 700.03 lakh representing 1.96% of Total Income for the period ended December 31, 2023. Depreciation mainly includes depreciation on our Plant & Machinery, Factory Building, Furniture and Fixtures, Vehicles, Computer, Office Equipment and Leasehold Land.

#### **Other Expenses**

Other Expenses were ₹ 1,311.87 lakhs representing 3.67% of Total Income for the period ended December 31, 2023. Other expense mainly includes Operating Expenses i.e. Packing Material Consumed, Power & Fuel Expenses, General Freight Expenses, Repairs & Maintenance; Administrative Expense i.e. Insurance Expense, Legal & Professional Charges, Repairs & Maintenance, Security Service Charges, Rent, Rates & Taxes; Selling And Distribution Expenses i.e. Transportation Expenses, Commission Expense, Business Promotion Expenses.

#### **Profit before Exceptional Items and Tax**

Our company's Profit before Exceptional Items and Tax for the period ended December 31, 2023 was 3.26% of the total income. The Profit before Exceptional Items and Tax was ₹ 1,165.82 lakhs for the period ended December 31, 2023.

#### **Profit after Tax (PAT)**

Our company recorded PAT of ₹ 801.98 lakhs for the period ended December 31, 2023. Profit after Tax was 2.24% of Total Income of our company for the period ended on December 31, 2023.

### **RESULTS OF OUR OPERATION**

The following table sets forth detailed total income data from our Restated Statement of Profit and Loss for the financial years 2023, 2022 and 2021, the components of which are also expressed as a percentage increase from previous year.

(₹ in Lakhs)

Particulars	For the Year end on March 31,		
	2023	2022	2021
<b>Revenue from operations</b>	<b>19,932.60</b>	<b>40,238.93</b>	<b>13,744.67</b>
% of growth	-50.46%	192.76%	
Other Income	55.61	66.45	59.18
% of growth	-16.32%	12.29%	
<b>Total Income</b>	<b>19,988.21</b>	<b>40,305.39</b>	<b>13,803.85</b>
% of growth	-50.41%	191.99%	
<b>Expenses</b>			
<b>Cost of material consumed</b>	<b>16,389.65</b>	<b>33,533.16</b>	<b>8,902.89</b>
% of growth	-51.12%	276.65%	
Purchase of stock-in-trade	0.00	0.00	0.00
% of growth	-	-	
Change in Inventories of WIP, Finished Goods & Stock in Trade	-781.39	-705.78	217.50
% of growth	-10.71%	-424.50%	
Employee benefits expense	499.21	712.47	529.57
% Increase/(Decrease)	-29.93%	34.54%	
Finance Costs	752.86	576.37	817.82
% Increase/(Decrease)	30.62%	-29.52%	

Particulars	For the Year end on March 31,		
	2023	2022	2021
Depreciation and amortization expenses	919.60	1,681.91	1,270.25
% Increase/(Decrease)	-45.32%	32.41%	
Other expenses	1,314.83	3,408.63	1,767.22
% Increase/(Decrease)	-61.43%	92.88%	
<b>Total Expenses</b>	<b>19,094.76</b>	<b>39,206.76</b>	<b>13,505.26</b>
<b>% to Total Income</b>	<b>95.53%</b>	<b>97.27%</b>	<b>97.84%</b>
<b>Profit before Tax and Exceptional Items</b>	<b>893.45</b>	<b>1,098.62</b>	<b>298.59</b>
<b>% to Total Income</b>	<b>4.47%</b>	<b>2.73%</b>	<b>2.16%</b>
Exceptional Items	0.00	0.00	0.00
Profit before Tax	893.45	1,098.62	298.59
Total tax expense	291.89	332.88	70.31
<b>Profit and Loss after tax for the Year as Restated</b>	<b>601.56</b>	<b>765.74</b>	<b>228.28</b>
<b>% to Total Income</b>	<b>3.01%</b>	<b>1.90%</b>	<b>1.65%</b>

#### COMPARISON OF FY 2022-23 WITH FINANCIAL YEAR 2021-22:

##### TOTAL INCOME:

##### *Revenue from operations (RFO)*

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. We have set up a Greenfield project of manufacturing value added and specialty cotton yarn at Unit No.13, Sub Plot No. 18, Survey No. 279 & 280, Village Dholi, Taluka Dholka, District Ahmedabad, Gujarat – 382240. Our Revenue from Operation has decreased from ₹ 40,238.93 Lakhs in FY 2021-22 to ₹ 19,932.60 Lakhs in FY 2022-23 showing a decrease of 50.46% from previous year i.e. FY 2021-22. Revenue from operations decreased primarily due to slowdown in the Cotton Yarn Industry as a whole and a decrease in price realization for our products in the market. Actual production of Cotton Yarn decreased from 8,284,153 Kgs in FY 2021-22 to 7,099,541 Kgs in FY 2022-23 and Value Added Yarn decreased from 5,798,782 Kgs in FY 2021-22 to Nil in FY 2022-23. Details of product-service wise bifurcation of revenue and geography wise revenue bifurcation is as follows:

##### Product-wise Revenue from operations:

Particulars	For the year ended March 31, 2023	% of RFO	For the year ended March 31, 2022	
			For the year ended March 31, 2022	% of RFO
(₹ in Lakhs)				
<b>(A) Sale of Goods</b>				
• Cotton Yarn	19,553.84	98.10	23,042.30	57.26
• Value Added Yarn	0.00	-	16,459.89	40.91
<b>(B) Trading of</b>				
• Cotton	14.65	0.07	73.07	0.18
• Fabric	0.00	-	0.00	-
<b>(C) Cotton Waste</b>	364.11	1.83	663.67	1.65
<b>Total</b>	<b>19,932.60</b>	<b>100.00</b>	<b>40,238.93</b>	<b>100.00</b>

##### Geography-wise Revenue from operations:

Particulars	For the year ended March 31, 2023	% of RFO	For the year ended March 31, 2022	
			For the year ended March 31, 2022	% of RFO
(₹ in Lakhs)				
<b>Domestic Sales</b>				
• Gujarat	18,894.51	94.79	34,781.50	86.44
• Andhra Pradesh	-	-	-	-
• Dadra and Nagar Haveli	-	-	188.09	0.47
• Delhi	-	-	-	-

Particulars	For the year ended March 31, 2023	% of RFO	For the year ended March 31, 2022	% of RFO
• Haryana	17.20	0.09	168.19	0.42
• Karnataka	-	-	-	-
• Madhya Pradesh	0.75	0.00	420.22	1.04
• Maharashtra	45.84	0.23	17.99	0.04
• Punjab	-	-	140.12	0.35
• Rajasthan	10.55	0.05	344.44	0.86
• Uttar Pradesh	-	-	8.68	0.02
• West Bengal	-	-	61.92	0.15
<b>Sales through Merchant Exporter (Deemed Export)</b>	963.75	4.84	3,979.04	9.89
<b>Export Sales</b>	-	-	-	-
• Bangladesh	-	-	128.73	0.32
• Thailand	-	-	-	-
<b>Total</b>	<b>19,932.60</b>	<b>100.00</b>	<b>40,238.93</b>	<b>100.00</b>

#### **Other Income:**

Other income of the company decreased to ₹ 55.61 lakhs in FY 2022-23 from ₹ 66.45 Lakhs in FY 2021-22 showing a decrease of 16.32% from previous year i.e. FY 2021-22. Other Income mainly includes Interest Income and Duty Drawback on Export. Other income decreased mainly on account of decrease in Deposits.

#### **EXPENDITURE:**

##### ***Cost of materials consumed***

Our Cost of materials consumed were ₹ 40,305.39 lakhs in FY 2021-22 as compared to ₹ 19,988.21 lakhs in FY 2022-23 showing a decrease of 50.41% from previous year i.e. FY 2021-22. Cost of materials consumed includes opening balance of Raw material, Purchase of Raw Material and Closing balance of Raw material. Raw Material mainly includes Raw Material mainly includes Purchase of Raw Cotton, Cotton Yarn, Polyester Staple Fiber and Lycra. Decrease in Cost of Material consumed was in proportion of decrease in Revenue from Operation. Price of Raw material was based on prevailing prices in the market.

##### ***Changes in inventories of finished goods, work-in-progress and stock-in-trade***

Our opening Inventory was ₹ 1,275.62 lakhs as at April 01, 2022, while it was ₹ 569.83 lakhs as at April 01, 2021. Our closing Inventory was ₹ 2,057.01 lakhs as at March 31, 2023, while it was ₹ 1,275.62 lakhs as at March 31, 2022. The changes in Inventory of finished goods, work-in-progress and stock-in-trade decreased to ₹ (781.39) lakhs in FY 2022-23 from ₹ (705.78) lakhs in FY 2021-22. Finished goods and stock-in-trade mainly includes Cotton, Fabric, Cotton Yarn, Waste related to it and Stores. Decrease in Inventory level in FY 2022-23 is primarily attributable to a higher inventory of finished goods and stock-in-trade at the end of FY 2022-23.

##### ***Employee Benefit Expenses***

Employee Benefit expenses were ₹ 499.21 Lakhs in FY 2022-23 as compared to ₹ 712.47 Lakhs in FY 2021-22 showing a decrease of 29.93% from previous year i.e. FY 2021-22. Employee Benefit Expenses mainly includes Salaries, Wages and Bonus, Director's Remuneration, Contribution to Employee Welfare Fund and other funds. The decrease was mainly attributable to decrease in scale of our business during the FY 2022-23.

##### ***Finance Cost***

Finance expenses increased to ₹ 752.86 Lakhs in FY 2022-23 as against ₹ 576.37 Lakhs in FY 2021-22 showing an increase of 30.62%. Finance costs include interest expense on Term Loans and Cash credit availed from Bank & others. Increase in finance cost is mainly attributable to Increase in Term Loans as at the end of the year March 31, 2022 due to which its Interest cost reflected in subsequent year rather than in that year.

##### ***Depreciation and amortization expense***

The Depreciation and amortization expense decreased to ₹ 919.60 Lakhs in FY 2022-23 as against ₹ 1,681.91 Lakhs in FY 2021-22 showing a decrease of 45.32% from previous year i.e. FY 2021-22. Depreciation mainly includes depreciation on our Plant & Machinery, Factory Building, Furniture and Fixtures, Vehicles, Computer, Office Equipment and Leasehold

Land. Decrease in depreciation was mainly due to high depreciation charged in FY 2021-22 to support the greater scale of our business in FY 2021-22.

#### **Other Expenses**

Other Expenses decreased to ₹ 1,314.83 Lakhs in FY 2022-23 from ₹ 3,408.63 Lakhs for FY 2021- 22 showing a decrease of 61.43% from previous year i.e. FY 2021-22. Other expense mainly includes Operating Expenses i.e. Packing Material Consumed, Power & Fuel Expenses, General Freight Expenses, Repairs & Maintenance; Administrative Expense i.e. Insurance Expense, Legal & Professional Charges, Repairs & Maintenance, Security Service Charges, Rent, Rates & Taxes; Selling And Distribution Expenses i.e. Transportation Expenses, Commission Expense, Business Promotion Expenses. Decrease in Other expense was mainly due to decrease in Power & Fuel Expenses (change in line with Revenue from operation) and due to non-recurring expense in FY 2021-22 of Commission Expense and Store and Spares Expenses (related to Plant and Machinery) required for proper functioning of Plant and Machinery.

#### **Profit before Exceptional Items and Tax**

As a result of the reasons mentioned above, we recorded decrease in our profit before tax by 18.68% from previous year i.e. FY 2021-22, which amounted to ₹ 893.45 Lakhs in FY 2022-23, as compared to ₹ 1,098.62 Lakhs in FY 2021-22. The Profit before Tax for the FY 2022-23 was 4.47% of the total Income as compared to 2.73% of total Income in FY 2021-22.

#### **Profit after Tax (PAT)**

As a result of the reasons mentioned above, we recorded decrease in our profit after tax from ₹ 765.74 Lakhs in the FY 2021-22 to ₹ 601.56 Lakhs in the FY 2022-23. The Profit after Tax for the FY 2022-23 was 3.01% of the total income as against 1.90% of total income for the FY 2021-22.

### **COMPARISON OF FY 2021-22 WITH FINANCIAL YEAR 2020-21:**

#### **TOTAL INCOME:**

##### **Revenue from operations (RFO)**

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. We have set up a Greenfield project of manufacturing value added and specialty cotton yarn at Unit No.13, Sub Plot No. 18, Survey No. 279 & 280, Village Dholi, Taluka Dholka, District Ahmedabad, Gujarat – 382240. Our Revenue from Operation has increased from ₹ 13,744.67 Lakhs in FY 2021-22 to ₹ 40,238.93 Lakhs in FY 2021-22 showing a growth of 192.76% from previous year i.e. FY 2020-21. Revenue from operation increased mainly due to favourable market and increase in Actual Production of Cotton Yarn increased from 6,461,079 Kgs in FY 2020-21 to 8,284,153 Kgs in FY 2021-22 and Value added yarn from Nil in FY 2020-21 to 5,798,782 Kgs in FY 2021-22. Details of product-service wise bifurcation of revenue and geography wise revenue bifurcation is as follows:

##### **Product-wise Revenue from operations:**

(₹ in Lakhs)				
Particulars	For the year ended March 31, 2022	% of RFO	For the year ended March 31, 2021	% of RFO
<b>(A) Sale of Goods</b>				
• Cotton Yarn	23,042.30	57.26	13,079.61	95.16
• Value Added Yarn	16,459.89	40.91	-	-
<b>(B) Trading of Fabric</b>	-	-	-	-
• Cotton	73.07	0.18	43.86	0.32
• Fabric	-	-	-	-
<b>(C) Cotton Waste</b>	663.67	1.65	621.21	4.52
<b>Total</b>	<b>40,238.93</b>	<b>100.00</b>	<b>13,744.67</b>	<b>100.00</b>

##### **Geography-wise Revenue from operations:**

(₹ in Lakhs)				
Particulars	For the year ended March 31, 2022	% of RFO	For the year ended March 31, 2021	% of RFO
<b>Domestic Sales</b>				

Particulars	For the year ended March 31, 2022	% of RFO	For the year ended March 31, 2021	% of RFO
Gujarat	34,781.50	86.44	10,704.21	77.88
Andhra Pradesh	-	-	-	-
Dadra and Nagar Haveli	188.09	0.47	-	-
Delhi	-	-	-	-
Haryana	168.19	0.42	15.72	0.11
Karnataka	-	-	-	-
Madhya Pradesh	420.22	1.04	59.00	0.43
Maharashtra	17.99	0.04	-	-
Punjab	140.12	0.35	283.68	2.06
Rajasthan	344.44	0.86	383.69	2.79
Uttar Pradesh	8.68	0.02	-	-
West Bengal	61.92	0.15	-	-
<b>Sales through Merchant Exporter (Deemed Export)</b>	3,979.04	9.89	2,237.42	16.28
<b>Export Sales</b>	-	-	-	-
Bangladesh	128.73	0.32	-	-
Thailand	-	-	60.94	0.44
<b>Total</b>	<b>40,238.93</b>	<b>100.00</b>	<b>13,744.67</b>	<b>100.00</b>

#### **Other Income:**

Other income of the company increased to ₹ 66.45 lakhs in FY 2021-22 from ₹ 59.18 Lakhs in FY 2020-21 showing an increase of 12.29% from previous year i.e. FY 2020-21. Other Income mainly includes Interest Income, Duty Drawback on Export, Foreign Currency Fluctuation Gain and Rent Income. Other income increased mainly on account of increase in Fixed Deposits.

#### **EXPENDITURE:**

##### **Cost of materials consumed**

Our Cost of materials consumed were ₹ 8,902.89 lakhs in FY 2020-21 as compared to ₹ 33,533.16 lakhs in FY 2021-22 showing an increase of 191.99% from previous year i.e. FY 2020-21. Cost of materials consumed includes opening balance of Raw material, Purchase of Raw Material and Closing balance of Raw material. Raw Material mainly includes Raw Material mainly includes Purchase of Raw Cotton, Cotton Yarn, Polyester Staple Fiber and Lycra. Decrease in Cost of Material consumed was in proportion of decrease in Revenue from Operation. Price of Raw material was based on prevailing prices in the market.

##### **Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Our opening Inventory was ₹ 569.83 lakhs as at April 01, 2021, while it was ₹ 787.33 lakhs as at April 01, 2020. Our closing Inventory was ₹ 1,275.62 lakhs as at March 31, 2022, while it was ₹ 569.83 lakhs as at March 31, 2021. The changes in Inventory of finished goods, work-in-progress and stock-in-trade decreased to ₹ (705.78) lakhs in FY 2021-22 from ₹ 217.50 lakhs in FY 2020-21. Finished goods and stock-in-trade mainly includes Cotton, Fabric, Cotton Yarn, Waste related to it and Stores. Decrease in Inventory level in FY 2021-22 is primarily attributable to a higher inventory of finished goods and stock-in-trade at the end of FY 2021-22.

##### **Employee Benefit Expenses**

Employee Benefit expenses was ₹ 712.47 Lakhs in FY 2021-22 as compared to ₹ 529.57 Lakhs in FY 2020-21 showing an increase of 34.54% from previous year i.e. FY 2020-21. Employee Benefit Expenses mainly includes Salaries, Wages and Bonus, Director's Remuneration, Contribution to Employee Welfare Fund and other funds. The increase was mainly attributable to an increase in the number of employees during the year to support the greater scale of our business in FY 2021-22.

##### **Finance Cost**

Finance expenses decreased to ₹ 576.37 Lakhs in FY 2021-22 as against ₹ 817.82 Lakhs in FY 2020-21 showing a change of 29.52% from previous year i.e. FY 2020-21. Finance costs include interest expense on Term Loans and Cash credit

availed from Bank. Decrease in finance cost is mainly due to repayment of Term Loan from Scheduled Bank, which compensated by addition of guaranteed emergency credit line availed from bank during the FY 2021-22.

#### **Depreciation and amortization expense**

The Depreciation and amortization expense increased to ₹ 1,681.91 Lakhs in FY 2021-22 as against ₹ 1,270.25 Lakhs in FY 2020-21 showing an increase of 32.41%. Depreciation mainly includes depreciation on our Plant & Machinery, Factory Building, Furniture and Fixtures, Vehicles, Computer, Office Equipment and Leasehold Land. Decrease in depreciation was mainly due to high depreciation charged in FY 2021-22 to support the greater scale of our business in FY 2021-22.

#### **Other Expenses**

Other Expenses increased to ₹ 3,408.63 Lakhs in FY 2021-22 from ₹ 1,767.22 Lakhs for FY 2020-21 showing an increase of 92.88% from previous year i.e. FY 2020-21. Other expense mainly includes Operating Expenses i.e. Packing Material Consumed, Power & Fuel Expenses, General Freight Expenses, Repairs & Maintenance; Administrative Expense i.e. Insurance Expense, Legal & Professional Charges, Repairs & Maintenance, Security Service Charges, Rent, Rates & Taxes; Selling And Distribution Expenses i.e. Transportation Expenses, Commission Expense, Business Promotion Expenses. Increase in Other expense was mainly due to increase in Freight & Transport and Packing, Store and Spares Expenses (change in line with Revenue from operation) and due to non-recurring expense of Commission Expense in FY 2021-22.

#### **Profit before Exceptional Items and Tax**

On account of factors mentioned hereinabove, we recorded an increase of 267.94% in our profit before tax, which amounted to ₹ 298.59 Lakhs in FY 2020-21, as compared to ₹ 1,098.62 Lakhs in FY 2021-22. The Profit before Tax for the FY 2021-22 was 2.73% of the total Income as compared to 2.16% of total Income in FY 2020-21.

#### **Profit after Tax (PAT)**

On account of factors mentioned hereinabove, we recorded an increase of 235.44% in our profit after tax from ₹ 228.28 Lakhs in the FY 2020-21 to ₹ 765.74 Lakhs in the FY 2021-22. The Profit after Tax for the FY 2021-22 was 1.90% of the total income as against 1.65% of total income for the FY 2020-21.

### **DISCUSSION ON THE STATEMENT OF CASH FLOWS**

The following table sets forth certain information relating to our Company's statement of cash flows for the periods indicated:

(Amount ₹ in Lakhs)

Particulars	For the Period / Financial Year Ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net cash flows generated/ (used) from operating activities	1,774.16	2,841.40	1,054.94	939.66
Net cash flows generated/ (used in) investing activities	24.43	(83.44)	(17.67)	(378.50)
Net cash flows generated/ (used in)/generated from financing activities	(3,124.93)	(3,277.33)	(28.74)	353.23
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,326.34)</b>	<b>(519.37)</b>	<b>1,008.53</b>	<b>914.38</b>

#### **Operating activities:**

##### **For the period ended December 31, 2023**

Net cash generated from operating activities was ₹ 1,774.16 Lakhs. This comprised of the profit before tax of ₹ 1,165.82 Lakhs, which was primarily adjusted for Depreciation & Amortization Expense of ₹ 700.03 Lakhs, Finance Cost of ₹ 642.73 lakhs and Interest Income of ₹ 25.29 lakhs. The resultant operating profit before working capital changes was ₹ 2,483.28 Lakhs, which was primarily adjusted for an increase in inventories of ₹ 623.87 lakhs, increase in Trade Receivable by ₹ 440.16 lakhs, increase in Trade Payable of ₹ 490.83 lakhs, increase in other current liability amounting by ₹ 90.14 Lakhs, decrease in Provision by ₹ 87.18 lakhs, increase in Short Term Loans and Advances by ₹ 112.43 lakhs, Other Current assets of ₹ 35.78 lakhs, and income tax paid of ₹ 62.24 Lakhs.

##### **For Financial Year 2022-23**

Net cash generated from operating activities was ₹ 2,841.40 Lakhs. This comprised of the profit before tax of ₹ 893.45 Lakhs, which was primarily adjusted for Depreciation & Amortization Expense of ₹ 919.60 Lakhs, Finance Cost of ₹ 752.86 lakhs and Interest Income of ₹ 54.57 lakhs. The resultant operating profit before working capital changes was ₹ 2,511.34 Lakhs, which was primarily adjusted for an decrease in inventories of ₹ 672.73 lakhs, increase in Trade Receivable

by ₹ 454.33 lakhs, increase in Trade Payable of ₹ 465.68 lakhs, decrease in other current liability amounting by ₹ 99.20 Lakhs, decrease in Provision by ₹ 130.54 lakhs, increase in Short Term Loans and Advances by ₹ 55.54 lakhs, Other Current assets of ₹ 14.17 lakhs, and income tax paid of ₹ 54.49 Lakhs.

**For Financial Year 2021-22**

Net cash generated from operating activities was ₹ 1,054.94 Lakhs. This comprised of the profit before tax of ₹ 1,098.62 Lakhs, which was primarily adjusted for Depreciation & Amortization Expense of ₹ 1,681.91 Lakhs, Finance Cost of ₹ 576.37 lakhs and Interest Income of ₹ 62.79 lakhs. The resultant operating profit before working capital changes was ₹ 3,294.11 Lakhs, which was primarily adjusted for an increase in inventories of ₹ 1,013.83 lakhs, increase in Trade Receivable by ₹ 1,240.27 lakhs, increase in Trade Payable of ₹ 166.35 lakhs, decrease in other current liability amounting by ₹ 156.17 Lakhs, decrease in Provision by ₹ 37.59 lakhs, decrease in Short Term Loans and Advances by ₹ 35.11 lakhs, Other Current assets of ₹ 28.70 lakhs, and income tax paid of ₹ 19.16 Lakhs.

**For Financial Year 2020-21**

Net cash generated from operating activities was ₹ 939.66 Lakhs. This comprised of the profit before tax of ₹ 298.59 Lakhs, which was primarily adjusted for Depreciation & Amortization Expense of ₹ 1,270.25 Lakhs, Finance Cost of ₹ 817.82 lakhs and Interest Income of ₹ 58.38 lakhs. The resultant operating profit before working capital changes was ₹ 2,445.05 Lakhs, which was primarily adjusted for an increase in inventories of ₹ 191.40 lakhs, decrease in Trade Receivable by ₹ 783.57 lakhs, decrease in Trade Payable of ₹ 1,021.29 lakhs, decrease in other current liability amounting by ₹ 900.08 Lakhs, increase in Provision by ₹ 14.94 lakhs, increase in Short Term Loans and Advances by ₹ 1,303.31 lakhs, decrease in Other Current assets by ₹ 1,301.12 lakhs, and income tax paid of ₹ 72.17 Lakhs.

**Investing Activities**

**For the period ended December 31, 2023**

Net cash used for investing activities was ₹ 24.43 Lakhs, which primarily comprised of cash used for the purchase/Sale of fixed assets (Net) of ₹ 0.86 Lakhs, proceeds from Interest income of ₹ 25.29 Lakhs and change in Non-Current Deposit with Bank of ₹ 0.00 Lakhs.

**For Financial Year 2022-23**

Net cash used in investing activities was ₹ 83.44 Lakhs, which primarily comprised of cash used for the purchase/Sale of fixed assets (Net) of ₹ 273.37 Lakhs, proceeds from Interest income of ₹ 54.57 Lakhs and change in Non-Current Assets of ₹ 135.36 Lakhs.

**For Financial Year 2021-22**

Net cash used in investing activities was ₹ 17.67 Lakhs, which primarily comprised of cash used for the purchase/Sale of fixed assets (Net) of ₹ 83.90 Lakhs, proceeds from other income of ₹ 62.79 Lakhs and change in Non-Current Assets of ₹ 3.45 Lakhs.

**For Financial Year 2020-21**

Net cash used in investing activities was ₹ 378.50 Lakhs, which primarily comprised of cash used for the purchase/Sale of fixed assets (Net) of ₹ 228.40 Lakhs, proceeds from other income of ₹ 58.38 Lakhs and change in Non-Current Assets of ₹ 208.49 Lakhs.

**Financing activities**

**For the period ended December 31, 2023**

Net cash outflow from financing activities was ₹ 3,124.93 Lakhs, which predominantly comprised increase of short-term borrowings of ₹ 40.92 Lakhs, repayment of long-term borrowings of ₹ 2,523.12 Lakhs, and Interest paid of ₹ 642.73 Lakhs.

**For Financial Year 2022-23**

Net cash outflow from financing activities was ₹ 3,277.33 Lakhs, which predominantly comprised decrease of short-term borrowings of ₹ 22.98 Lakhs, repayment of long-term borrowings of ₹ 2,501.49 Lakhs, and Interest paid of ₹ 752.86 Lakhs.

**For Financial Year 2021-22**

Net cash outflow from financing activities was ₹ 28.74 Lakhs, which predominantly comprised increase of short-term borrowings of ₹ 167.03 Lakhs and long-term borrowings of ₹ 380.60 Lakhs, and Interest paid of ₹ 576.37 Lakhs.

**For Financial Year 2020-21**

Net cash inflow from financing activities was ₹ 353.23 Lakhs, which predominantly comprised increase of short-term borrowings of ₹ 1,412.15 Lakhs, repayment of long-term borrowings of ₹ 307.10 Lakhs, issue of shares of ₹ 65.99 lakhs and Interest paid of ₹ 817.82 Lakhs.

## INDEBTNESS

As at December 31, 2023, we had total outstanding indebtedness of ₹ 8,895.61 Lakhs, which comprises of long-term borrowings amounting to ₹ 4,348.90 Lakhs and Short term borrowing of ₹ 4,546.71 Lakhs. The following table sets out our indebtedness as of December 31, 2023 and March 31, 2023, 2022 and 2021.

(Amount ₹ in Lakhs)

Particulars	For the Period/Financial Year Ended on			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Long term borrowing (excluding current maturity)	4,348.90	6,872.03	9,373.52	8,992.92
Short term borrowings (Current maturity of long-term borrowing)	4,546.71	4,505.79	4,528.78	4,361.74
<b>Total</b>	<b>8,895.61</b>	<b>11,377.82</b>	<b>13,902.29</b>	<b>13,354.66</b>

## RELATED PARTY TRANSACTIONS

For further information please refer “Annexure – 35 - Related Party Disclosure” under section “Restated Financial Information” beginning from page no. 163 of this Draft Red Herring Prospectus.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the course of undertaking our business, we are exposed to the following risks arising from financial instruments, which include credit risk, liquidity risk and market risk. Our primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on our financial performance.

### Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss. The potential activities where credit risks may arise include from cash and cash equivalents, security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits, and continuously monitoring the creditworthiness of customers to which our Company grants credit terms in the normal course of business.

### Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. Our financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We have practiced financial diligence and syndicated adequate liquidity in all business scenarios.

### Market Risk

Market risk is the risk that results in changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect our income or the value of our holdings of financial instruments. Our operations result in us being exposed to foreign currency risk on account of trade receivables, trade payables and borrowings. The foreign currency risk may affect our income and expenses, or our financial position and cash flows. The objective of our management of foreign currency risk is to maintain this risk within acceptable parameters, while optimizing returns.

## EFFECT OF INFLATION

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

## INFORMATION REQUIRED AS PER ITEM (11) (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS, 2018:

### 1) Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge which may be described as “unusual” or “infrequent”.

**2) Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled “*Risk Factors*” beginning on page no. 24 of the Draft Red Herring Prospectus. To our knowledge, except as we have described in the Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

**3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled “*Risk Factors*” beginning on page no. 24 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4) Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Apart from the risks as disclosed under Section titled “*Risk Factors*” beginning on page no. 24 in this Draft Red Herring Prospectus, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

**5) Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.**

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. Further, increases in revenues are by and large linked to increase in sales of products sold by our company and also dependent on capacity utilization and on the price realization of our products.

**6) Total turnover of each major industry segment in which the issuer company operated.**

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. Relevant Industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 96 of this Draft Red Herring Prospectus.

**7) Status of any publicly announced new products or business segment.**

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. Otherwise as stated in the Draft Red Herring Prospectus and in the section “*Business Overview*” appearing on page no. 109, our company has not publicly announced any new business segment till the date of this Draft Red Herring Prospectus.

**8) The extent to which business is seasonal.**

Our Company is primarily engaged in manufacturing and selling of Cotton Yarns. Our manufacturing process adheres to stringent quality standards and is backed by advanced technology and machinery. Business of our company to that extent is not seasonal in nature. Hence, our business is not subject to seasonality or cyclicity.

**9) Any significant dependence on a single or few suppliers or customers.**

The percentage of contribution of our Company’s customer vis-à-vis the total revenue from operations on consolidated basis respectively for the period ended on December 31, 2023 and for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021 is as follows:

Particulars	% contribution to revenue from operations			
	For the Period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Top 1 Customer	27.96%	18.80%	34.85%	25.95%
Top 3 Customers	62.82%	42.73%	56.69%	42.80%
Top 5 Customers	75.79%	57.82%	68.01%	50.26%
Top 10 Customers	88.19%	82.68%	78.77%	61.99%

Particulars	% contribution to Purchases			
	For the Period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Top 1 Supplier	53.42%	55.37%	67.44%	41.15%
Top 3 Suppliers	83.73%	72.93%	80.94%	65.85%
Top 5 Suppliers	90.06%	80.99%	88.84%	74.67%
Top 10 Suppliers	94.28%	89.05%	97.99%	82.21%

**10) Competitive conditions:**

We face competition from existing and potential competitors which is common for any business. We have, over a period, developed certain competitors who have been discussed in section titles “*Business Overview*” beginning on page no. 109 of this Draft Red Herring Prospectus

**CAPITALISATION STATEMENT**

(Rs. In Lakhs)

Particular	Pre Offer 31.12.2023	Post Offer
<b>Borrowings:</b>		
i Long Term Debt	4,348.90	[•]
ii Short Term Debt	4,546.71	[•]
	<b>8,895.61</b>	-
<b>Shareholders' funds:</b>		
i Equity share capital	442.33	[•]
ii Reserve and surplus - as restated	5,777.42	[•]
	<b>6,219.75</b>	-
<b>Long term debt / shareholders' funds</b>	<b>0.70</b>	[•]
<b>Total debt / shareholders' funds</b>	<b>1.43</b>	[•]

**SECTION X – LEGAL AND OTHER INFORMATION**  
**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*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; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on March 28, 2024 determined that outstanding legal proceedings involving the Company, its Directors and Promoters will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 5% of the annual turnover of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 10% of the Company’s trade payables as per the last audited financial statements.*

**A. LITIGATION INVOLVING THE COMPANY**

**(a) Criminal proceedings against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

**(b) Criminal proceedings filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Company.

**(c) Other pending material litigations against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

**B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

**(a) Criminal proceedings against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Promoters & Directors of the company.

**(b) Criminal proceedings filed by the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Promoters & Directors of the company.

**(c) Other pending material litigations against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations filed by the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by the statutory and regulatory authorities against the Promoters & Directors.

## C. LITIGATIONS INVOLVING THE GROUP COMPANY OF THE COMPANY

### (a) Criminal proceedings against the group company of the company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the group company of the company.

### (b) Criminal proceedings filed by the group company of the company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal initiated by the group company of the company.

### (c) Other pending material litigations against the group company of the company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the group company, which have been considered material by the Company in accordance with the Materiality Policy.

### (d) Other pending material litigations filed by the Promoters & Directors of the company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the group company, which have been considered material by the Company in accordance with the Materiality Policy.

### (e) Actions by statutory and regulatory authorities against the Promoters & Directors of the company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the group company.

## D. TAX PROCEEDINGS

Nature of Proceedings	Number of cases	Amount involved* (₹ in lakhs)
<b>Of the company</b>		
Income Tax	Nil	Nil
e-proceedings <sup>1</sup>	3	Amount Unascertainable
TDS	Across all FYs	Nil
GST	4	0.52
<b>Of the Promoters and Directors</b>		
Mr. Navin Saraogi		
Income Tax	4	2.57
e-proceedings <sup>2</sup>	6	Amount Unascertainable
<b>Of the Group Companies</b>		
<b>1. Shivtex Spinning Private Limited</b>		
IT	1	39.81
e-proceedings <sup>3</sup>	2	Amount Unascertainable
TDS	Across all FYs	0.88
GST	2	40.57
<b>2. Siddhi Weaves Private Limited</b>		
IT	1	288.50
e-proceedings <sup>4</sup>	3	Amount Unascertainable
TDS	Across all FYs	0.04
GST	2	0.08
<b>3. Bhavana Textiles Private Limited</b>		
e-proceedings <sup>5</sup>	4	Amount Unascertainable
TDS	Across all FYs	11.39
GST (Notices)	2	Amount Unascertainable

<sup>1</sup> There are two e-proceedings for the Assessment Year 2018-19 and 2019-20 u/s 274 read with section 270A of the Income Tax Act, 1961 for under-reporting income.

There is an e-proceeding for the Assessment Year 2022-23 for proposed adjustment u/s 143(1)(a) of Income Tax Act, 1961 as there were errors/incorrect claims/inconsistency in the return filed.

<sup>2</sup> There are three notices u/s 142(1) of the Income Tax Act, 1961 dated July 17, 2023, January 03, 2024 and January 12, 2024 for producing additional details for the Assessment Year 2019-20.

A Show Cause Notice was issued in the Assessment Year 2019-20 after a Search & Seizure operation was initiated on July 20, 2022 on Chiripal Group and their key persons and key employees.

A notice was issued u/s 143(2) read with section 147 of the Income Tax Act, 1961 as there were certain issues in the return of income and has been selected for scrutiny.

Another notice was issued u/s 148 of the Income Tax Act, 1961 to assess or reassess income or recompute the loss or the depreciation allowance or any other allowance or deduction for the Assessment Year 2019-20.

<sup>3</sup> There is an e-proceeding for the Assessment Year 2022-23 for proposed adjustment u/s 143(1)(a) of Income Tax Act, 1961 as there were errors/incorrect claims/inconsistency in the return filed.

Further, there is another e-proceeding regarding under-reported income for the Assessment Year 2019-20 u/s 274 read with section 270 A of the Income Tax Act, 1961 for appearing personally or through authorised representative on April 12, 2024 or submit written explanation before the mentioned date to contest potential penalty imposition.

<sup>4</sup> There is an e-proceeding for the Assessment Year 2017-18 for proposed adjustment u/s 143(1)(a) of Income Tax Act, 1961 as there were errors/incorrect claims/inconsistency in the return filed.

Further, a notice has been issued for non-filing of Return Income for the Assessment Year 2017-18.

There is another e-proceeding for the Assessment Year 2017-18 disallowing expenditure indicated in the audit report which has not been taken into account in computing the total income in the return. (variance of Rs. 80138)

<sup>5</sup> There is an e-proceeding for the Assessment Year 2017-18 disallowing expenditure indicated in the audit report which has not been taken into account in computing the total income in the return. (variance of Rs. 23835)

There is an e-proceeding for the Assessment Year 2018-19 disallowing expenditure indicated in the audit report which has not been taken into account in computing the total income in the return. (variance of Rs. 358652)

There is an e-proceeding for the Assessment Year 2021-22 for proposed adjustment u/s 143(1)(a) of Income Tax Act, 1961 as there were errors/incorrect claims/inconsistency in the return filed.

There is a notice issued u/s 221(1) of the Income Tax Act, 1961 for non-payment of outstanding demand of Rs. 1,11,900 and 10, 41, 610 for Assessment Year 2018-19 and 2017-18 respectively.

#### **E. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 10% of our Company's total Trade payables as per audited financial statements, to small scale undertakings and other creditors as material dues for our Company. The trade payables as on December 31, 2023 were ₹ 1,331.41 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹133.14 lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on February 14, 2024. Based on these criteria, details of outstanding dues owed as on December 31, 2023 by our Company on are set out below:

(₹ in lakhs)

Types of creditors		Number of creditors	Amount involved
A.	Micro, small and medium enterprises	7	231.49
B.	Other Creditors	74	1,099.92
<b>Total (A+B)</b>		<b>81</b>	<b>1,331.41</b>
C.	Material Creditors	3	857.40

The details pertaining to net outstanding dues towards our material creditors as on as on December 31, 2023 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at [www.siddhicotspin.com](http://www.siddhicotspin.com) It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

#### **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 165 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## GOVERNMENT AND OTHER APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*Following statements set out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.*

*The Main Objects clause of the Memorandum of Association enables our Company to undertake its present business activities.*

The Company has obtained following Approvals/Licences/consents and permissions from the Government and various Government Agencies required for its present business:

### I. APPROVALS FOR THE ISSUE

#### Corporate Approvals

- Our Board of Directors pursuant to a Board Resolution passed in its meeting held on March 18, 2024 authorised the issue subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013 and such other authorities as may be necessary.
- The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 in an Annual General Meeting (AGM)/Extra Ordinary General Meeting (EGM) held on March 26, 2024.
- Our Board Approved this Draft Red Herring Prospectus pursuant to its Resolution dated May 01, 2024

#### Approvals from Stock Exchange

Our Company has received in-principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

#### Agreement with NSDL and CDSL

- The company has entered into an agreement dated January 12, 2024 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Kfin Technologies Limited for the dematerialization of its shares.
- The Company has entered into an agreement dated January 29, 2024 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Kfin Technologies Limited for the dematerialization of its shares.
- The Company’s International Securities Identification Number (“ISIN”) is INE0SVO01019

#### NOC from Lenders

NOC from Canara Bank dated April 18, 2024.

NOC from Punjab National Bank dated April 30, 2024.

#### INCORPORATION RELATED APPROVALS

Sr. No.	Nature of License / Registration/Approval	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation in the name of “Siddhi Cotspin Private Limited”	U17123GJ2015PTC085135	The Companies Act, 2013	Registrar of Companies, Gujarat	November 23, 2015	Valid until cancelled
2.	Fresh Certificate of Incorporation on change in the name from “Siddhi Cotspin	U17123GJ2015PLC085135	The Companies Act, 2013	Registrar of Companies, Ahmedabad	February 12, 2024	Valid until cancelled

Sr. No.	Nature of License / Registration/Approval	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
	Private Limited” to “Siddhi Cotspin Limited”					

#### TAX RELATED APPROVALS

Sr. No.	Description	Registration Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (“PAN”)*	AAWCS4769H	Income Tax Act, 1961	Income Tax Department	November 23, 2015	Valid until cancelled
2.	Tax Deduction Account Number (“TAN”)*	AHMS28570D	Income Tax Act, 1961	Income Tax Department	N.A	Valid until cancelled
3.	Certificate of Registration for Goods and Services Tax	24AAWCS4769H1ZM	Gujarat Goods and Services Tax Act, 2017	State Tax Officer, Government of Gujarat	Date of Issuance: April 24, 2023 With Effect from: July 01, 2017	Valid until cancelled

#### BUSINESS RELATED APPROVALS

Sr. No.	Description	Registration Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Udyam Registration Certificate	UDYAM-GJ-01-0005808	Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro, Small and Medium Enterprises	August 18, 2020	Valid until cancelled
2.	Import Export Code (IEC)	0816915458	The Foreign trade (Development and Regulation) Act, 1992	Ministry of Commerce and Industry, Government of India, Additional Director General of Foreign Trade	September 28, 2016	Valid until cancelled

#### FACTORY RELATED APPROVALS AND LICENSES

Sr. No.	Description	Registration Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Consolidated renewal of Consents to Operate the Factory	AWH-123456	Section 25/26 of Water (prevention and Control of Pollution) Act, 1974 and under Section 21(4) of Air (Prevention and Control of Pollution) Act, 1981 and Rule 6(2) of the Hazardous and Other Waste (Management & Transboundary Movement) Rules 2016	Gujarat State Pollution Control Board	December 26, 2022	September 30, 2032
2.	Factory License (Survey No. 279-280, Dholi Integrated)	License No.32415 Reg. No. 8160/1311/2017	Factories Act, 1948 and Rules thereunder	Directorate Industrial Safety and	October 1, 2017	December 31, 2025

Sr. No.	Description	Registration Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
	Spinning Park, Dholi, Taluka Dholka, Distt. Ahmedabad)			Health, Gujarat		
3.	Permission for energisation by electricity	Ref. No.: UGVCL/ Regd. /Com/New/263 5	Electricity Act, 2003	Uttar Gujarat Vij Co. Ltd.	December 27, 2016	Valid until cancelled
4.	Verification Certificate of Weights of Non-Automatic Weighing Instrument- Electronic Class III MAKE aver india eq. MINIMUM 500kg, 100kg, 100kg, 5kg, 5kg, Not exceed 10kg and Not exceed 10kg	2837938/AHD/2023/01	Legal Metrology Act, 2009	Office of the Controller, Legal Metrology, Gujarat State	November 28, 2023	November 28, 2024

**Note:** Our Company has not obtained NOC from the Fire Department, in pursuance to the Gujarat Govt resolution no: FAC/142020/456894/M.3 dated 09.02.2022 which states that it is no more required.

#### LABOUR RELATED APPROVALS

Sr. No.	Description	Registration Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration under Employees' Provident Funds	GJAHD1902277000	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees Provident Fund Organization.	March 02, 2019	Valid until cancelled

#### APPROVALS OBTAINED/APPLIED IN RELATION TO INTELLECTUAL PROPERTY RIGHT (IPR)

At present, we do not have any Trade Mark Registered in our Company's name. But, we have applied for registration of trade marks as per the details given under the heading "Material Licences and Approvals Applied for by the Company" in this Chapter.

#### DOMAIN NAME REGISTERED IN THE NAME OF THE COMPANY

Sr.No.	Domain Name	IANA ID	Creation Date	Expiry Date
1.	siddhicotspin.com	146	June 09, 2018	June 09, 2024

#### MATERIAL LICENSES / APPROVALS OUR COMPANY HAS APPLIED FOR

Our Company has applied for registration of Trademark as per following

Sr. No.	Description	Class	Application No.	Application Date	Status
1.	Word Mark "SIDDHI COTSPIN"	23	6206849	December 04, 2023	"Objected" Company has submitted its reply to the Examination Report on January 03, 2024

2.	Device Mark 	23	6206850	December 04, 2023	“Objected” Company has submitted its reply to the Examination Report on January 03, 2024
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\* Note: Only the PAN and TAN have been received in the new name of the Company, i.e. Siddhi Cotspin Limited. Rest all other approvals and licenses are in its former name, i.e. Siddhi Cotspin Private Limited. Our Company is in the process of getting the name changed in other approvals and licenses from the concerned Authorities.

**APPROVALS AND LICENSES YET TO BE APPLIED**

1. Intimation under Gujarat Shops and Commercial Establishment Act, 1948 for an Administrative office at Narol, Gujarat
2. Profession Tax Registration in the State of Gujarat

## SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES / ENTITIES

The definition of “Group Companies” pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board.

Pursuant to a Board resolution dated March 28, 2024 our Board has identified the companies within which there were related party transactions for which financial information is disclosed for the top five group companies on the basis of turnover. In addition to these five group companies, the name and registered office address of all other group companies are also disclosed. The Board has formulated a policy to identify the other companies which are considered material to be identified as group companies, pursuant to which the following entities are identified as Group Companies of our Company:

1. Shivtex Spinning Private Limited
2. Siddhi Weaves Private Limited
3. Bhavana Textiles Private Limited
4. United Tex Chem Solutions Private Limited
5. Bindal Worldwide Private Limited

Except as stated above, there are no companies falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group companies.

As per sub clause A of Clause 13 of Schedule VI of SEBI (ICDR) Regulations, 2018, we are providing the financial information of our group companies.

### 1. SHIVTEX SPINNING PRIVATE LIMITED (“SSPL”)

#### ***Brief Corporate Information***

SSPL was incorporated as “Shivtex Spinning Private Limited” on September 30, 2016 under the Companies Act, 2013 pursuant to the certificate of incorporation issued by Registrar of Companies, Ahmedabad. The CIN of SSPL is U17309GJ2016PTC093930. The Registered Office of SSPL is situated at Survey No. 230/1, Saijpur Gopalpur, Near Ranipur Gam, Narol Road Ahmedabad Gujrat, 380025.

#### ***Current Nature of Activities / Business Activities***

SSPL is currently engaged in the business of manufacturing of various types of open ended cotton yarn.

#### ***Capital Structure***

As on the date of this Draft Red Herring Prospectus, the authorized Equity Share Capital of SSPL is ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each and Preference Share Capital is ₹ 1,50,00,000 divided into 15,00,000 Preference Shares of ₹ 10 each. The issued, subscribed and paid-up Equity share capital of SSPL is ₹ 4,69,01,230 divided into 46,90,123 Equity Shares of ₹ 10 each and Preference Share Capital is ₹ 1,40,90,870 divided into 14,09,087 Preference Shares of ₹ 10 each.

#### ***Board of Directors***

As on date of this Draft Red Herring Prospectus, the following are the Directors of SSPL:

Sr. No.	Name	Designation	DIN
1.	Sanjay Bindal Premchand	Director	00155204
2.	Navin Saraogi	Director	00623331
3.	Dinesh Shivbhagwan Agrawal	Director	01240053
4.	Aman Dineshkumar Agrawal	Director	03416804
5.	Abhishek Rajesh Agrawal	Director	07591189

#### ***Financial Information***

The brief financial details of SSPL derived from its financial statements for audited financial statements for FY 2023, 2022, 2021 are set forth below:

(₹ in lakhs except per share)

Particulars	For the financial year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	609.92	609.92	609.92
Other Equity	5289.04	5313.10	4679.41
Net worth	5898.96	5923.02	5289.33
Total Revenue (including other income)	29201.41	40798.95	14264.55
Profit / (Loss) after tax	196.84	633.69	285.77
Earnings per Share (face value of ₹ 10/- each)	4.24	4.24	6.09
Diluted Earnings per Share (face value of ₹ 10/- each)	4.24	13.51	6.09
Net Asset value per share (₹)	125.77	126.29	112.78

## 2. SIDDHI WEAVES PRIVATE LIMITED (“SWPL”)

### Brief Corporate Information

SWPL was incorporated as “Siddhi Weaves Private Limited ” on June 11, 2013 under the Companies Act,1956 pursuant to the certificate of incorporation issued by Registrar of Companies, Gujarat, Dadra & Nagar Havelli. The CIN of SWPL is U17222GJ2013PTC075550. The Registered Office of SWPL is situated at South tower, 204-205, One42, B/h Ashoka Vatika, Nr. Jayantilal Park BRTS, Ambli, Ahmedabad, Gujarat, India, 380054.

### Current Nature of Activities / Business Activities

SWPL is currently engaged in the business of Manufacturing of denim fabric.

### Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorized Equity Share Capital of SWPL is ₹ 4,30,00,000 divided into 43,00,000 Equity Shares of ₹ 10 each and Preference Share Capital is ₹ 2,70,00,000 divided into 27,00,000 Preference Shares of ₹ 10 each. The issued, subscribed and paid-up Equity share capital of SWPL is ₹ 4,18,45,460 divided into 41,84,546 Equity Shares of ₹ 10 each and Preference Share Capital is ₹ 2,59,99,990 divided into 25,99,999 Preference Shares of ₹ 10 each.

### Board of Directors

As on date of this Draft Red Herring Prospectus, the following are the Directors of SWPL:

Sr. No.	Name	Designation	DIN
1.	Amit Premchand Bindal	Director	00155264
2.	Navin Saraogi	Director	00623331
3.	Rajeshkumar Babulal Agarwal	Director	01182394

### Financial Information

The brief financial details of SWPL derived from its financial statements for audited financial statements for FY 2023, 2022, 2021 are set forth below:

(₹ in lakhs except per share data)

Particulars	For the financial year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	678.45	678.45	678.45
Other Equity	6396.96	5843.97	5333.68
Net worth	7,075.41	6,522.43	6012.14
Total Revenue (including other income)	34,865.96	43,779.38	18290.43
Profit / (Loss) after tax	698.80	510.29	221.62
Earnings per Share (face value of ₹ 10/- each)	16.70	12.19	5.30
Diluted Earnings per Share (face value of ₹ 10/- each)	16.70	12.19	5.30
Net Asset value per share (₹)	169.08	155.87	143.68

### 3. BHAVANA TEXTILES PRIVATE LIMITED (“BTPL”)

#### *Brief Corporate Information*

BTPL was incorporated as “*Bhavana Textiles Private Limited*” on January 05, 1995 under the Companies Act, 1956 pursuant to certificate of incorporation issued by Registrar of Companies, Delhi. Currently, the CIN of BTPL is U74899DL1995PTC064088. The Registered Office is situated at Upper G/F, Gali No-5, Sat Nagar Karol Bagh, Near Hira Nand Hindi, Ghodiwala, Central Delhi, New Delhi-110005.

#### *Current Nature of Activities / Business Activities*

BTPL is currently engaged in the business of the Trading of Indigo dyed yarn and finished denim fabrics.

#### *Capital Structure*

As on the date of this Draft Red Herring Prospectus, the authorized Equity Share Capital of BTPL is ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each.

#### *Board of Directors*

As on date of this Draft Red Herring Prospectus, the following are the Directors of BTPL:

Sr. No.	Name	Designation	DIN
1	Sanjay Bindal Premchand	Director	00155204
2	Nikesh Karunakaran Nair	Director	09549938

#### *Financial Information*

The brief financial details of BTPL derived from its financial statements for audited financial statements for FY 2023, 2022, 2021 are set forth below:

(₹ in lakhs except per share data)

Particulars	For the financial year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	23.10	23.10	23.10
Other Equity	600.63	561.99	532.00
Net worth	623.73	585.09	555.10
Total Revenue (including other income)	21,813.57	44,360.91	24,294.63
Profit / (Loss) after tax	38.64	30.02	(221.88)
Earnings per Share (face value of ₹ 10/- each)	16.72	13.00	(96.04)
Diluted Earnings per Share (face value of ₹ 10/- each)	16.72	13.00	(96.04)
Net Asset value per share (₹)	269.98	253.25	240.27

### 4. UNITED TEX CHEM SOLUTIONS PRIVATE LIMITED (“UTCSP”)”)

#### *Brief Corporate Information*

UTCSP was incorporated as “*United Tex Chem Solutions Private Limited*” on November 03, 2020 under the Companies Act, 2013 pursuant to certificate of incorporation issued by Registrar of Companies, Ahmedabad. Currently, the CIN of UTCSP is U24299GJ2020PTC117911. The Registered Office is situated at 283, New Cloth Market, Opp. Raipur Gate, Raipur, Ahmedabad, Gujarat, India, 380002.

#### *Current Nature of Activities / Business Activities*

UTCSP is currently engaged in the business of trading and manufacturing of chemical.

#### *Capital Structure*

As on the date of this Draft Red Herring Prospectus, the authorized Equity Share Capital of UTCSP is ₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10/- each.

### Board of Directors

As on date of this Draft Red Herring Prospectus, the following are the Directors of UTCSPL:

Sr. No	Name	Designation	DIN
1.	Navin Saraogi	Director	00623331
2.	Jayprakash Laxmanprasad Bhatt	Director	07813173

### Financial Information

The brief financial details of UTCSPL derived from its financial statements for audited financial statements for FY 2023, 2022, 2021 are set forth below:

₹ in lakhs except per share data

Particulars	For the financial year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	1.00	1.00	1.00
Other Equity	(2.13)	(7.42)	(0.20)
Net worth	(1.13)	(6.42)	0.80
Total Revenue (including other income)	264.06	164.97	0.31
Profit / (Loss) after tax	5.29	(7.22)	(0.20)
Earnings per Share (face value of ₹ 10/- each)	(145.97)	(173.32)	(4.80)
Diluted Earnings per Share (face value of ₹ 10/- each)	(145.97)	(173.32)	(4.80)
Net Asset value per share (₹)	(11.33)	(64.21)	8.00

### 5. Bindal Worldwide Private Limited (“BWPL”)

#### Brief Corporate Information

BWPL was originally incorporated as “Bindal Polyesters Private Limited” on February 19, 1996 under the Companies Act, 1956 pursuant to certificate of incorporation issued by Registrar of Companies Gujarat, Dadra and Nager Havelli. Thereafter the name of the company was changed from “Bindal Polyesters Private Limited” to “Bindal Worldwide Private Limited” on July 11, 2010 pursuant to certificate of name changed issued by Assistant Registrar of Companies Gujarat, Dadra and Nager Havelli. Currently, the CIN of BWPL is U52609GJ1996PTC028863. The Registered Office is situated at 322, 3rd Floor, Swaminarayan Plaza-1 B/S Gokulesh Petrol Pump, Narol, Ahmedabad, Gujarat, India, 382405.

#### Current Nature of Activities / Business Activities

BWPL is currently engaged in the business of Trading of Fabric and Textile chemicals.

#### Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorized Equity Share Capital of BWPL is ₹ 1,00,00,000 divided into 1000000 Equity Shares of ₹ 10 each. The issued, subscribed and paid-up Equity share capital of BWPL is ₹ 32,87,020 divided into 3,28,702 Equity Shares of ₹ 10 each.

### Board of Directors

As on date of this Draft Red Herring Prospectus, the following are the Directors of BWPL:

Sr. No	Name	Designation	DIN
1.	Sanjay Bindal Premchand	Director	00155204
2.	Amit Premchand Bindal	Director	00155264

## Financial Information

The brief financial details of BWPL derived from its financial statements for audited financial statements for FY 2023, 2022, 2021 are set forth below:

₹ in lakhs except per share data

Particulars	For the financial year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	32.87	32.87	32.87
Other Equity	140.39	140.90	141.01
Net worth	173.26	173.77	173.88
Total Revenue (including other income)	0.22	0.19	0.10
Profit / (Loss) after tax	(0.51)	(0.11)	(0.26)
Earnings per Share (face value of ₹ 10/- each)	(0.16)	(0.03)	(0.08)
Diluted Earnings per Share (face value of ₹ 10/- each)	(0.16)	(0.03)	(0.08)
Net Asset value per share (₹)	52.71	52.87	52.90

Financial details of our group companies are available on website of our company under investor tab. Website of our company is [www.siddhicotspin.com](http://www.siddhicotspin.com)

### GENERAL DISCLOSURE

- None of our Group Companies of which Securities are listed on any stock exchange and has made any public and/or rights issue of securities to the public in the preceding three years.
- None of the above-mentioned Group Companies is in default in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies/Entities.
- Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.
- Our Group Company has not been identified as a Willful Defaulter or Fraudulent Borrower.

### PENDING LITIGATIONS

There is no pending litigation involving any of the above-mentioned group companies which has a material impact on our company. However, for details of Outstanding Litigation against our Company and Group Companies, please refer to Chapter titled “*Outstanding Litigations and Material Developments*” on the Page no. 181 of this Draft Red Herring Prospectus.

### OTHER CONFIRMATION

- As on the date of this Draft Red Herring Prospectus, all the above group companies are unlisted private limited Company and have not made any public offer (including any rights issue to the public) in the preceding three financial years.
- The Companies are neither a sick Company nor are under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against the Companies.

### COMMON PURSUITS

Although the main object of our company and our Group companies is similar, we do not have any common business pursuit as the business activities pursued by Group companies is different from our existing and proposed business activities and products.

### BUSINESS INTERESTS AMONGST OUR COMPANY AND GROUP COMPANIES/ENTITIES /ASSOCIATE COMPANIES

#### Existing

Except as mentioned under “*Annexure 35– Restated Related Party Disclosures*” under Chapter titled “*Restated Financial Information*” beginning on page no. 163 of the Draft Red Herring Prospectus, there is no business interest among Group Companies.

**Proposed Related Party Transactions with Group/Entities/Promoter for FY 2024-25 as approved by the Board of Directors, as on the date of this Draft Red Herring Prospectus:**

<b>Sr. No</b>	<b>Name of Related Party</b>	<b>Nature of contracts/ arrangement/transections</b>	<b>Omnibus &amp; Prior Approval (Limit ₹ in Lakhs)</b>
1.	Aansh Bindal	Rent	0.05
2.	Shivtex Spinning Private Limited	Sale/Purchase	300.00
3.	Siddhi Weaves Private Limited	Sale/Purchase	10.00
4.	Dholi Speciality Private Limited	Sale/Purchase	1.00
5.	Navin Saraogi	Loan Taken/Given	6.00

Additionally, our Company will pay remuneration and salary to our Directors and Key Managerial Personnel as approved by the Board of Directors and/or Shareholders of our Company.

In addition to all above transactions proposed to be entered, our Company may also propose to enter into new transactions or transactions beyond the present approval given by the Board of Directors/Audit Committee after obtaining the fresh approval for the new transactions or transactions beyond the approval specified above.

**RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANY/ENTITY AND ITS SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY**

For details, please refer Chapter titled “*Restated Financial Information*” beginning on page 163 of the Draft Red Herring Prospectus, there is no business interest among Group Companies.

**CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

There are no Changes in Significant Accounting Policies during the last three years.

## SECTION – XII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE OFFER

The Board of Directors has, pursuant to a resolution passed at its meeting held on March 18, 2024 authorized the Offer, subject to the approval of the shareholders of the Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The shareholders of the Company have, pursuant to a special resolution passed in EoGM held on March 26, 2024 authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

Approval from the Selling Shareholder

The Selling Shareholder has authorised and confirmed inclusion of its portion of the Offered Shares as part of the Offer for Sale, as set out below:

Sr. No.	Name of the Selling Shareholders	Date of Consent Letter	Number of Shares to be offered
1	Navin Saraogi	March 18, 2024	Upto 6,54,802 Equity Shares
2	Vineeta Vishal Chiripal	March 18, 2024	Upto 8,69,198 Equity Shares

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of NSE. NSE is the Designated Stock Exchange for the purpose of this Issue.

### PROHIBITION BY SECURITIES MARKET REGULATORS

Our Company, our Promoters, members of the promoter group and our Directors have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/ court.

### CONFIRMATIONS

1. Our Company, our Promoters, Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Neither our Company, nor our Promoters, nor the relatives (as defined under the Companies Act) of our Promoters nor Group Companies/Entities have been identified as willful defaulters or Fraudulent Borrowers by the RBI or any other governmental authority

### ELIGIBILITY FOR THE OFFER

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulation; and this Offer is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

This Offer is being made in terms of Regulation 229 (2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company whose post offer face value capital will be more than ₹ 10 Crore and up to ₹ 25 Crore, shall offer shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”), in this case being the Emerge Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of SME platform of the NSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

#### 1. The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.

Our Company is incorporated under the Companies Act, 2013.

#### 2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25.00 Crore.

The present paid-up capital of our Company is ₹1946.25 Lakh and we are proposing issue of upto 6468000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. Hence, our Post Issue Paid up Capital will be ₹ [●] Lakhs which is more than ₹ 10.00 Crores and less than ₹ 25.00 Crore.

### 3. Track Record

#### A. The company should have a track record of at least 3 years.

Our Company was originally formed and registered as a Private Limited under the Companies Act, 2013 (“Companies Act”) under the name and style of “Siddhi Cotspin Private Limited”, pursuant to a Certificate of Incorporation dated November 23, 2015 issued by Registrar of Companies, Gujarat. Later on, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on January 29, 2024 and the name of our Company was changed to “Siddhi Cotspin Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated February 12, 2024 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U17123GJ2015PLC085135. Therefore, we are in compliance with criteria of having track record of 3 years.

#### B. The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement.

(₹ In lakh)

Particulars	For the period ended on December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating profit (earnings before interest, depreciation and tax and other income) from operations	2,483.28	2,510.30	3,290.45	2,327.48
Net Worth	6,219.75	5,417.77	4,816.22	4,050.48

### 4. Other Requirements

We confirm that;

- The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.

#### 5. The Company has a website: [www.siddhicotspin.com](http://www.siddhicotspin.com)

### 6. Disclosures

We confirm that:

- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting companies of the Company.
- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.

#### In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

- In accordance with regulation 260 of the SEBI ICDR Regulations, this Issue is 100% underwritten by the BRLM in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting by BRLM, please refer to Section titled “General Information” beginning on page no. 47 of this Draft Red Herring Prospectus.
- In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issue in the Initial Public Issue. For details of the market making arrangement, see Section titled “General Information” beginning on page no. 47 of this Draft Red herring Prospectus.

3. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, 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 at rate of fifteen per cent per annum and within such time as disclosed in the Issue document and BRLM shall ensure the same.
4. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we shall also ensure that we submit the soft copy of Prospectus through BRLM immediately up on registration of the Prospectus with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However, SEBI shall not issue any observation on our Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and Subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **SEBI DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT / OFFER DOCUMENT, THE LEAD MANAGER(S) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER(S) SWASTIKA INVESTMART LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 01, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER(S) ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT.”**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MUMBAI, IN TERMS OF SECTION 26, 30 AND SECTION 32 OF THE COMPANIES ACT, 2013.**

#### **DISCLAIMER CLAUSE OF THE NSE**

The copy of the Draft Red Herring Prospectus is submitted to NSE. Post scrutiny of the Draft Red Herring Prospectus, the Disclaimer Clause as intimated by NSE to us is read as under:

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: [●] dated [●] permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft red herring prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will**

**continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever.”

#### **CAUTION- DISCLAIMER FROM OUR COMPANY, THE SELLING SHAREHOLDER, OUR DIRECTORS AND THE BOOK RUNNING LEAD MANAGER**

The Company, the Selling Shareholder and our Directors, accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at their own risk.

The Book Running Lead Manager accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company’s website: [www.siddhicotspin.com](http://www.siddhicotspin.com) would be doing so at their own risk.

The Company, the Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company’s website: [www.siddhicotspin.com](http://www.siddhicotspin.com) would be doing so at their own risk.

#### **CAUTION**

The BRLM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM, Swastika Investmart Limited and our Company dated April 17, 2024 and the Underwriting Agreement dated [●] between [●] and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, Book Running Lead Manager, Swastika Investmart Limited and our Company.

All information shall be made available by us and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres etc.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, 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 and our Promoter Group, affiliates or associates for which they have received, and may in future receive, compensation.

#### **Note:**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and BRLM 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 Issue, 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 BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub –account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Issue hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING OF DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS/PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India. The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>

A copy of the Red Herring Prospectus, along with the material documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies, Ahmedabad and through the electronic portal at <http://www.mca.gov.in/mcafoportal>

#### **LISTING**

Application is to be made to the Emerge Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of NSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE, the Company shall refund through verifiable means the entire monies received within Four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four day after the company becomes liable to repay it the company and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within Six Working Days from the Issue Closing Date.

#### **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who –**

- (a). makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or**
- (b). makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- (c). Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”**

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

#### **CONSENTS**

The written consents of Promoters, Selling Shareholders, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, Independent Chartered Engineer, the BRLM to the Issue, Registrar to the Issue, Banker to the Issue\*, Market Maker\* and Underwriter to the Issue\* to act in their respective capacities have been obtained.

*\*To be obtained prior to filing of Red Herring Prospectus.*

Above consents will be filed along with a copy of the Red Herring Prospectus/Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus/Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018,

1. M/s. Vijay Moondra & Co., Chartered Accountants have provided their written consent to act as Statutory Auditor of the company dated March 29, 2024 and M/s. JPMK & CO. Chartered Accountants have provided their written consent to act as Peer review Auditor of the company dated April 10, 2024 for Audit Report to the Restated Financial Information as well as inclusion of Statement of Tax Benefits dated April 10, 2024.
2. M/s. JPMK & CO. has provided their written consent to act as expert to the company dated April 10, 2024 for disclosure made in chapter titled “*Objects of the Issue*” for fund deployment certificate dated April 27, 2024 in this Draft Red Herring Prospectus.
3. M/s. S.K. Patel, has provided their written consent to act as Independent Chartered Engineer to the issue dated April 25, 2024 and to inclusion of name as Expert dated April 25, 2024.
4. M/s. Zenith India Lawyers has provided their written consent to act as Legal Advisor to the issue dated April 30, 2024 and to inclusion of name as Expert dated April 30, 2024.
5. Further, such consents and reports have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

#### **EXPERT OPINION**

Except for report and certificates from Peer Review Auditors on financial matter and Legal advisor to the company on legal matters, we have not obtained any other expert opinions

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

Except as stated in the section titled “Capital Structure” beginning on page 57 of this Draft Red Herring Prospectus, we have not made any previous rights and/or public Issues during last 5 years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Offer is first “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

Since this is the initial public offer of the Equity Shares by our Company. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

#### CAPITAL ISSUE DURING THE LAST THREE YEARS

Other than as disclosed in “Capital Structure” on page 57 our company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

#### PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BRLM

For details regarding the price information and track record of the past issue handled by Swastika Investmart Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI is as follows:

TABLE 1

#### SME IPO:

Sr. No.	Issuer Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180th Calendar Days from Listing
1.	Richa Infosystem Limited	10.00	125.00	February 21, 2022	125.00	-34.80 (+0.31)	-10.32 (-5.82)	-16.55 (+3.40)
2.	Evoq Remedies Limited	9.72	27.00	March 30, 2022	25.00	-44.72 (-2.77)	-50.00 (-9.38)	-38.00 (-3.88)
3.	Sonu Infratech Limited	8.64	36.00	May 17, 2022	37.50	-63.15 (-5.53)	-6.67 (+8.85)	+1.33 (+12.73)
4.	Cyber Media Research and Services Limited	14.04	180.00	October 10, 2022	245.25	-18.45 (+5.31)	-18.45 (+4.99)	-28.43 (+2.22)
5.	Infinium Pharmachem Limited	25.25	135.00	April 17, 2023	141.50	+89.61 (+2.68)	+88.69 (+10.49)	+80.25 (+11.44)
6.	Service Care Limited	20.68	67.00	July 27, 2023	70.50	-15.04 (-2.59)	-18.44 (-3.32)	-10.57 (+9.32)
7.	Saroja Pharma Industries India Limited	9.11	84.00	September 13, 2023	65.00	-8.46 (-1.59)	-12.31 (+4.17)	N.A.
8.	Shree Marutinandan Tubes Limited	14.30	143.00	January 19, 2024	200.00	+103.45 (+1.43)	+25.55 (+1.12)	N.A.
9.								
10.								

Source: Price Information [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

#### MAIN BOARD IPO:

Sr. No.	Issuer Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180th Calendar Days from Listing
NIL								

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Issues) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the lead manager are provided.

**Note:**

1. The S&P NSE Sensex and NSE Nifty are considered as the Benchmark.
2. "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30th / 90th/180th Calendar days from listing.
3. "Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30th / 90th/180th 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.
4. In case 30th/ 90th/180th 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.
5. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information

**SUMMARY STATEMENT OF DISCLOSURE**

**TABLE 2**

**SME IPO:**

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%
2024-25														
2023-24														
2022-23	3	47.93	-	-										
2021-22	4	69.34	1	-	2	1	-	-	-	-	-	1	-	-

**MAIN BOARD IPO:**

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%
2023-24			NIL											
2022-23			NIL											
2021-22			N.A											

**Note:**

1. Issue opening date is considered for calculation of total number of IPO's in the respective financial year.
2. In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

## PROMISE VIS-A-VIS PERFORMANCE

Since, neither our Company nor our Promoters' Group Companies/Entities have made any previous rights or public issues during last five years, promise vis-a-vis Performance is not applicable.

## STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

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, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and comply with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Red Herring Prospectus/Prospectus. - **Noted for Compliance**

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Aayush Kamleshbhai Shah	Chairperson	Independent Director
Mr. Sumit Jayantibhai Patel	Member	Independent Director
Mr. Aansh Rajesh Bindal	Member	Whole Time Director

Our Company has appointed Mr. Jagdish Shamjibhai Kanzariya as the Company Secretary and Compliance Officer who may be contacted in case of any pre-issue or post-issue related problems at the following address:

Mr. Jagdish Shamjibhai Kanzariya

Company Secretary and Compliance Officer

C/o. Siddhi Cotspin Limited

Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat- 382240.

**Telephone No.:** +91 70690 08810

**Web site:** [www.siddhicotspin.com](http://www.siddhicotspin.com)

**E-Mail:** [cs@siddhicotspin.com](mailto:cs@siddhicotspin.com)

Till date of this Draft Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

## **PUBLIC ISSUE EXPENSES**

The total expenses of the Issue are estimated to be approximately ₹ [●] Lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

<b>Expenses</b>	<b>Expenses (₹ in Lakh)</b>	<b>Expenses (% of Total Issue expenses)</b>	<b>Expenses (% of Gross Issue Proceeds)</b>
Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable to Legal Advisors			
Fees Payable Advertising, Marketing Expenses and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for Three Years)	[●]	[●]	[●]
Others (Fees payable for marketing & distributing expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses.)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
Total Estimated Issue Expenses	[●]	100.00	[●]

### **Notes:**

- Up to April 26, 2024, Our Company has deployed/incurred expense of ₹ 10.54 Lakhs towards Offer Expenses and custodian connectivity charges out of internal accruals duly certified by Statutory Auditor, M/s. Vijay Moondra & Co., Chartered Accountants vide its certificate dated April 27, 2024.*
- 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.*

5. 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.
6. Issuer banks for UPI Mechanism as registered with SEBI 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 them.
7. Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹ [●]/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ [●]/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.

#### **FEES PAYABLE TO BRLM TO THE ISSUE**

The total fees payable to the BRLM will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office of our Company.

#### **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable to the Registrar to the Issue, for processing of Bidding application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

#### **FEES PAYABLE TO OTHERS**

The total fees payable to the Sponsor Bank, Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **COMMISSION PAYABLE TO SCSBS**

1. 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% ^ (exclusive of GST)
  - Portion for NIIs 0.01% ^ (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 Issue Price).
2. 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.
3. 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 considered in order to determine the total processing fees payable to the relevant Registered Broker.
4. 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.
5. Issuer banks for UPI Mechanism as registered with SEBI 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 them.
6. Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹ 50,000/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ 50,000/- (plus

*applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.*

*The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.*

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 57 of this Draft Red Herring Prospectus, our Company has not Issue any Equity Shares for consideration otherwise than for cash.

#### **LISTED VENTURES OF PROMOTERS**

There are no listed ventures of our Company as on date of filing of this Draft Red Herring Prospectus.

#### **OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Red Herring Prospectus.

#### **CAPITALIZATION OF RESERVES OR PROFITS DURING LAST 5 (FIVE) YEARS**

Except as disclosed under chapter titled “*Capital Structure*” on page 57 of this Draft Red Herring Prospectus, our Company has not capitalized Reserves or Profits during last five years.

#### **REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our Company has not revalued its assets during last five years.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI SHALL BE DISCLOSED**

Our Company has not been granted any exemptions from complying with any provisions of Securities Laws by SEBI.

## SECTION XIII – OFFER RELATED INFORMATION

### TERMS OF OFFER

*The Equity Shares being offered pursuant to this offer shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the offer of capital and listing of securities offered from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Offer and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Offers by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further vide the said circular Registrar to the Offer and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Offer and DPs as and when the same is made available.*

#### **Ranking of Equity Shares**

The Equity Shares being offered and transferred in the Offer shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this offer will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

#### **Authority for the Offer**

This Offer has been authorized by a resolution of the Board passed at their meeting held on March 18, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Offer by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EoGM of the Company held on March 26, 2024.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and other applicable laws in this respect and recommended by the Board of Directors at their discretion and approved by the shareholders 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, 2013. For further details, please refer to the chapter titled “Dividend Policy” beginning on pages 162 of this Draft Red Herring Prospectus.

#### **Face Value, Offer Price, Floor Price and Price Band**

The face value of each Equity Share is ₹ 10/- and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”).

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchange. The Offer Price shall be determined by our Company in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Offer Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “Basis of Offer Price” beginning on page 83 of this Draft Red Herring Prospectus.

### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, SEBI (LODR), 2015 and the Memorandum and Articles of Association of the Company.

### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Offer before filing this Draft Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated January 29, 2024.
- Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated January 12, 2024.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an offer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement offered through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the National Stock Exchange of India Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and all the monies blocked by SCSBs shall be unblocked within two (2) working days of closure of Offer.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Offer is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, —U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being

offered and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall 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 titled to make afresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies 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 Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-offer capital of our Company, Promoters' minimum contribution as provided under the chapter titled "*Capital Structure*" on page 57 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled "*Description of Equity Shares and terms of the articles of association*" on page 245 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

### **Withdrawal of the Offer**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Offer after the Offer Closing Date

and thereafter determines that it will proceed with an offer/offer for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with Stock Exchange.

## OFFER PROGRAM

Events	Indicative Dates
<b>Bid/Offer Opening Date</b>	[●]
<b>Bid/Offer Closing Date</b>	[●]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before [●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account</b>	On or before [●]
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	On or before [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or before [●]

\*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchange. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

The SEBI is in the process of streamlining and reducing the post Offer timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**In terms of the UPI Circulars, in relation to the Offer, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

### Submission of Bids

#### **Bid/Offer Period (except the Bid/Offer Closing Date)**

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))

#### **Bid/Offer Closing Date**

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST

#### **On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

- i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

### **Minimum Subscription**

This Offer is not restricted to any minimum subscription level and the Offer is 100% underwritten. If the Offeror does not receive the subscription of 100% of the Offer through this Offer document including devolvement of Underwriter within two working days from the date of closure of the Offer, the Offeror shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after the offeror becomes liable to pay the amount, the offeror shall pay interest as prescribed under law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer including through the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000 (Rupees One Lac only) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be 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.

### **Migration to Main Board**

Migration from NSE SME Platform to NSE Main Board

<b>Parameter</b>	<b>Migration policy from NSE SME Platform to NSE Main Board</b>
Paid up Capital & Market Capitalisation	The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalisation of the applicant's equity shall not be less than 25 crores** ** Explanation For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares
Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
Listing period	The applicant should have been listed on SME platform of the Exchange for at least 3 years.
Other Listing conditions	The applicant Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies. The company has not received any winding up petition admitted by a NCLT. The networth* of the company should be at least 50 crores *Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
Public Shareholders	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.
The applicant desirous of listing its securities on the main board	The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.
of the Exchange should also satisfy the Exchange on the following:	Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed. Redressal mechanism of Investor grievance PAN and DIN no. of Director(s) of the Company Change in Control of a Company/Utilisation of funds raised from public.

### **Market Making**

The shares offered and transferred through this Offer are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of NSE. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 47 of this Draft Red Herring Prospectus.

### **Arrangements for disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of NSE.

### **Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting**

Except for lock-in of the pre-Offer Equity Shares and Promoter’s minimum contribution in the Offer as detailed in the chapter “Capital Structure” beginning on page 57 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

### **Application by eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Offer without the prior approval of the RBI, so long as the price of the equity shares to be Offer is not less than the price at which the equity shares are Offer to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Offer 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 Offer of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Option to receive securities in Dematerialized Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Further it is mandatory for the investor to furnish the details of his/her depository account, & if for any reasons details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. offered by our Company.

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post offer paid up capital is more than ₹ 10 crores and upto ₹ 25 crores, shall offer equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of NSE). For further details regarding the salient features and terms of such an offer, please refer chapter titled “Terms of Offer” and “Offer Procedure” on page no. 206 and 217 respectively of this Draft Red Herring Prospectus.

The Offer of up to 6468000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs comprising of a Fresh Issue of up to 4944000 Equity Shares aggregating up to ₹ [●] Lakhs by our Company and an Offer for Sale of up to 1524000 Equity Shares aggregating up to ₹ [●] Lakhs. The Offer comprises a Net Offer to the public of [●] Equity Shares (the “Net Offer”). The Offer and Net Offer will constitute [●] and [●] of the post Offer paid up Equity Share capital of our Company.

This Offer is being made by way of Book Building Process <sup>(1)</sup>:

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(3)</sup>	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation*	[●] Equity Share	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
Percentage of offer size available for allocation	[●] % of the offer size	<p>Not more than 50% of the Net Offer being available for allocation to QIB Bidders.</p> <p>However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only.</p> <p>Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion.</p> <p>The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion</p>	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer
Basis of Allotment <sup>(4)</sup>	Firm Allotment	<p>Proportionate as follows:</p> <p>a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds</p>	Proportionate	Proportionate

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(3)</sup>	Non-Institutional Applicants	Retail Individual Investors
		receiving allocation as per (a) above.		
Mode of Bid	Only through the ASBA process.	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity shares in multiple of [●] Equity shares that Bid size exceeds ₹ 2,00,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the offer (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
Trading Lot	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the ASBA process			

\* Assuming full subscription in the Offer

- (1) This offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an offer for at least 25% of the post offer paid-up Equity share capital of the Company. This offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations
- (3) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 253 of the SEBI ICDR Regulations. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and Promoter Selling Shareholder in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see “Terms of the Offer” on page 206.
- (4) Our Company and Promoter Selling Shareholder may, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-

Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see “Offer Procedure” on page 217.

Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. 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.

**In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.**

#### **WITHDRAWAL OF THE OFFER**

In accordance with SEBI (ICDR) Regulations, the Company and Promoter Selling Shareholder, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer at any time before the Bid/Offer Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Offer after Bid/ Offer Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Offer. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Offer, 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 offered in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer 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 registration of Draft Red Herring Prospectus/ Red Herring Prospectus with RoC.

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities at Ahmedabad.

#### **BID/OFFER PROGRAMME:**

<b>Events</b>	<b>Indicative Dates</b>
<b>Bid/Offer Opening Date</b>	[●]
<b>Bid/Offer Closing Date</b>	[●]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or Before [●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account</b>	On or Before [●]
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	On or Before [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or Before [●]

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Bidding Centres mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Offer closing date:

- A standard cut-off time of 3.00 p.m. for acceptance of bids.
- A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of bids received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## OFFER PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for 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 six 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. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, the Issue will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

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 Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by Emerge Platform of National stock Exchange of India Limited (“NSE Emerge”) to act as intermediaries for submitting Application Forms are provided on [www.nsesme.com/](http://www.nsesme.com/) For details on their designated branches for submitting Application Forms, please see the above mentioned website of Emerge Platform of National stock Exchange of India Limited (“NSE Emerge”).

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 BRLM 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 Book Running 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 the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus.

Further, the Company and the BRLM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

### **BOOK BUILDING PROCEDURE**

This Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Offer shall be allocated on a proportionate basis to QIBs. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.**

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021.**

### **AVAILABILITY OF RED HERRING PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Book Running Lead Manager to the Offer, Registrar to the Offer as mentioned in the Application form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Red Herring Prospectus/ Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

#### **Phased implementation of Unified Payments Interface**

SEBI has Offer UPI Circulars in relation to streamlining the process of public offer of equity shares and convertibles. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public offer 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 Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use

his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

- b) Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase.
- c) Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public offers shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchange and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

All Bidders shall mandatorily participate in the Offer only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
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

*Note: Electronic Bid Cum Application Forms will also be available for download on the website of the NSE ([www.nseindia.com](http://www.nseindia.com)).*

**Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.**

**Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).**

**Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.**

**The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.**

**An Investor, intending to subscribe to this Offer, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)**

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.

<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.
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Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Offer Closing Date ("Cut-Off Time"). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an offer. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability.

## WHO CAN BID?

**Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.**

**Subject to the above, an illustrative list of Bidders is as follows:**

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-

Institutional Bidder 's category;

- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **APPLICATIONS NOT TO BE MADE BY:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **METHOD OF BIDDING PROCESS**

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and Gujarat Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Gujarat Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- c) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- e) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- f) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer 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.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders,

reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

- b) Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

**The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.**

#### **Option to Subscribe in the Offer**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders:**

- 1. Our Company and the Book Running Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
- 2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.
- 3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the StockExchange.
- 4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
- 5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
- 6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
- 7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
- 8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a

Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.

9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

#### **BIDS BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants Offer by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non- repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 243. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

#### **BIDS BY FPIs**

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration Offer under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may offer, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is Offer overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are Offer only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are Offer only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are Offer after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments Offer by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants Offer to facilitate implementation of the SEBI FPI Regulations (“Operational FPI Guidelines”), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“MIM Bids”). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “MIM Structure”). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

#### **BIDS BY SEBI-REGISTERED AIFS, VCFs AND FVCIs**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are

prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration Offer under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration Offer by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments Offer by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see “*Key Regulations and Policies*” beginning on page 132.

#### **BIDS BY SCSBS**

SCSBS participating in the Offer are required to comply with the terms of the circulars Offer by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBS are required to ensure that for making applications on their own account using

ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public offers and clear demarcated funds should be available in such account for such applications.

#### **BIDS BY SYSTEMICALLY IMPORTANT NBFCS**

In case of Bids made by Systemically Important NBFCS registered with RBI, certified copies of: (i) the certificate of registration Offer by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCS are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCS participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars Offer by the RBI from time to time.

The investment limit for Systemically Important NBFCS shall be as prescribed by RBI from time to time.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration Offer by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars Offer by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCS, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Offer of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.

3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Offer an electronic facility for registering applications for the Offer. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;

- Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
  9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
  12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
  14. The SCSBs shall be given one day after the Bid/ Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
  15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Offer Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Offer Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of

Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

- c) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Offer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Offer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

**Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Offer at various prices and is collated from Bids received from various investors.**

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Offer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Offer, in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

## GENERAL INSTRUCTIONS

### Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment.
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated.
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account.
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form.
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not a RIB;
19. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not Bid for Equity Shares in excess of what is specified for each category;
21. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations

or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
23. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
24. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
25. Do not Bid if you are an OCB; and
26. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Offer or post-Offer related offers regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “*General Information*” and “*Our Management*” beginning on pages 47 and 145 respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “*General Information*” beginning on page 47.

#### **GROUND FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Offer or post Offer related offers regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” beginning on page 47.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by

the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Offer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Offer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

**The Allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.**

#### **BASIS OF ALLOTMENT**

##### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

##### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
  - In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**c) Basis of Allotment for QIBs and NIIs in case of Over Subscribed Offer:**

In the event of the Offer being Over-Subscribed, the issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in

that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this DRHP.

**Retail Individual Investor'** means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

**The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer.

The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Offer Closing date. The issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

#### **Designated Date:**

**On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.**

**The Company will Offer 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 2 working days of the Bid/ Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any**

#### **Instructions for Completing the Bid Cum Application Form**

**The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.**

**SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public offers using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE i.e. [Error! Hyperlink reference not valid.](#) With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Offer with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com)**

#### **Bidder's Depository Account and Bank Details**

**Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.**

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

#### **Submission of Bid cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

#### **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre- Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 1 (one) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2(two) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation NSE (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 draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
  5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Offer, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Offer 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 NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Offer. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Equity Shares in Dematerialised Form with NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Offer on January 29, 2024
- b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Offer on January 12, 2024
- c) The Company's Equity shares bear an ISIN: INE0SVO01019.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

#### **PRE-OFFER ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper each with wide circulation.

In the Pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

- a) Our Company and the Underwriter intend to enter into an Underwriting Agreement on or immediately after the finalization of the Offer Price but prior to the filing of Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

#### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

#### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further offer of the Equity Shares shall be made until the Equity Shares Offer through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Offer, in whole or in part thereof, to the extent of the Offer Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an

event, our Company would offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and

- if our Company, in consultation with the BRLM withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an offer of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

#### **UNDERTAKINGS BY SELLING SHAREHOLDER**

The Selling Shareholder, undertakes in relation to itself and the Offered Shares that:

- the Offered Shares are eligible to be offered in the Offer for Sale in compliance with Regulations of the SEBI ICDR Regulations;
- the Offered Shares offered by the Selling Shareholder shall be transferred to an escrow demat account in dematerialized form within such time period as may be agreed in the Share Escrow Agreement before filing of the Red Herring Prospectus;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer except for fees or commission for services rendered in relation to the Offer; and
- it shall not have recourse to the Offer Proceeds which shall be held in escrow in its favour until the final listing and trading approvals from the Stock Exchanges have been obtained.

The statements and undertakings provided above, in relation to the Selling Shareholders, are statements which are specifically confirmed or undertaken by the Selling Shareholders in relation to itself and the Offered Shares. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Selling Shareholders, shall be statements made by our Company, even if the same relate to the Selling Shareholders.

#### **UTILIZATION OF OFFER PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

details of all unutilized monies out of the Fresh Offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of 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. Foreign investment is allowed up to 100% under automatic route in our Company.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), offer the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI offer by the DPIIT that were in force and effect prior to October 15, 2020. In terms of FDI Policy, FDI to an extent of 51% is allowed in multi brand retail trading with government approval. The FDI Policy will be valid until the DPIIT offers an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Offer is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post offer paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Offer. As per the existing policy of the Government of India, OCBs cannot participate in this offer. See “*Offer Procedure*” beginning on page 217.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), offer consolidates FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI offer by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP offers an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy offer and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See “*Offer Procedure*” beginning on page 217.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 offer by the DPIIT and the FEMA Non-debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Offer Period.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S 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.**

**The above information is given for the benefit of the Applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

**DESCRIPTION OF EQUITY SHARES RELATED TERMS OF THE ARTICLES OF ASSOCIATION OF  
SIDDHI COTSPIN LIMITED**

[Company Limited by shares]

**PART-A**

**Interpretation**

1. (I) In these regulations –
- (a) “the Act” means the Companies Act, 2013,
  - (b) “the seal” means the common seal of the company, if any.
  - (c) “Articles” means these articles of association of the Company or as altered from time to time.
  - (d) “Board of Directors” or “Board”, means the collective body of the directors of the Company.
  - (e) “The Chairperson” means the Chairperson of the Board of Directors for the time being or the Company.
  - (f) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
  - (g) “Company” means **Siddhi Cotspin Limited**.
  - (h) “Control” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder’s agreements or voting agreements or in any other manner.
  - (i) “Depositories Act” means the Depositories Act, 1996, or any statutory modification or re-enactment thereof, for the time being in force.
  - (j) “Depository” means a depository as defined under Section 2(1)(e) of the Depositories Act.
  - (k) “Director” means a member of the Board appointed in accordance with these Articles, including any additional and/or alternate director.
  - (l) “Debenture” includes Debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not.
  - (m) “Document” includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.
  - (n) “General Meeting” means a general meeting of the Shareholders of the Company, whether an annual general meeting or an extraordinary general meeting.
  - (o) “Independent Director” shall have the meaning ascribed to it in the Act.
  - (p) “Key Managerial Personnel” means the Chief Executive officer or the managing director or the manager; the company secretary; whole-time director; Chief Financial Officer; and such other officer as may be notified from time to time in the Rules.
  - (q) “Ordinary & Special Resolution” shall have the meanings assigned to these terms by Section 114 of the Act.
  - (r) “The office” means the Registered Office for the time being of the Company.
  - (s) “Promoter” means a person-
    - (a) who has been named as such in a prospectus or is identified by the company in the annual return referred to in Section 92; or
    - (b) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise; or
    - (c) in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act:Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity;
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

## Share capital and variation of rights

1) Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company. If the share capital of the Company consists of Preference Shares, the Company shall have right to issue and redeem the preference shares in accordance with the provisions of the Act. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

2)

I. Person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

- a) one certificate for all his shares without payment of any charges; or
- b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

II. Every certificate shall be under the seal, if any, and shall specify the shares to which it relates and the amount paid-up thereon.

III. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3) 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.

The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

4) Except as required by law, no person shall be recognized 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 recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5) 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.

I. 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.

II. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6)

a) 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.

b) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

8)

- I. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
- II. A person opts to hold any shares with the depository, the Company shall intimate such depository the details of allotment of the shares to enable the depository to enter in its records the name of such person as the beneficial owner of that shares.
- III. Subject to the provisions of the Act and Rules made in this behalf, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

#### **Lien**

- 9) (i) The company shall have a first and paramount lien-
  - (a) on every share (including fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (including fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- 10) The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

  - i. Unless a sum in respect of which the lien exists is presently payable; or
  - ii. Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 11)
  - a) To give effect to any such sale, the Board may authorised some person to transfer the shares sold to the purchaser thereof.
  - b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 12)
  - a) 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.
  - b) 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.

#### **Calls on shares**

- 13)
  - a) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
  - b) 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.
  - c) A call may be revoked or postponed at the discretion of the Board.
- 14) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed

and may be required to be paid by installments.

15) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16)

a) 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 percent per annum or at such lower rate, if any, as the Board may determine.

b) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17)

i. Any sum which by the terms of issue of a share becomes payable on allotment or on any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18) The Board-

a) May, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### **Transfer of shares**

19)

a) If any member wants to transfer/sell his shares to a person other than existing member, he shall give to the Company intimation of his intention to do so and he shall transfer his shares to such nonmembers only if approval by the Board is granted and communicated in writing to that person to transfer the shares to the nonmember;

b) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee and shall be deposited with the Company for the registration of transfer of shares within 60 days from the date of execution;

c) 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.

d) The instrument of transfer shall be in writing and all provisions of the Companies Act, 2013 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof.

20) The Board may, subject to the right of appeal conferred by section 58 declines to register—

i. the transfer of a share in favour of any person including an existing member of the Company; or

ii. any transfer of shares on which the company has a lien.

21) The Board may decline to recognise any instrument of transfer unless—

i. The instrument of transfer is in the form as prescribed in rules made under subsection (1) of section 56;

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

iii. The instrument of transfer is in respect of only one class of shares.

22) On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **Transmission of shares**

23)

- i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

- a) to be registered himself as holder of the share; or
- b) to make such transfer of the share as the deceased or insolvent member could have made.
- c) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25)

- a) 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.
- b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

27) In case of a One Person Company—

- (i) on the death of the sole member, the person nominated by such member shall be the person recognized by the company as having title to all the shares of the member;
- (ii) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company
- (iii) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable;
- (iv) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.

#### **Forfeiture of shares**

28) If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

29) The notice aforesaid shall—

- a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

30) 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.

**31)**

- a. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- b. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**32)**

- a. 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.
- b. 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.

**33)**

- a. 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;
- b. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- c. The transferee shall thereupon be registered as the holder of the share and;
- d. 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.

- 34)** The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**Alteration of capital**

- 35)** 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.

**(A) Employee Stock Option**

- i. Subject to and in accordance with the provisions of the Act and any other rules, regulations or guidelines as may be prescribed if any, the Company may frame guidelines or scheme to be known as Employee Stock Option Scheme (ESOP) or Employees Stock Purchase Scheme (ESPS).
- ii. ESOP or ESPS may provide for the issue of shares/warrants, bonds or other debt instruments including the terms of payment.
- iii. The Board of Directors shall have the power to vary, alter or amend the terms and conditions of the ESOP or ESPS, at their sole discretion, in such manner as they may deem fit in the best interest of the Company.

**(B) Issue of Sweat Equity Shares**

- i. Notwithstanding anything contained in these articles the Company shall have right to issue sweat equity shares to its promoters, Directors, employees or to such other persons as may be decided by the Board in accordance with the provisions of the Companies Act, 2013 and any statutory amendments or re-enactment thereof.

**36)** Subject to the provisions of section 61, the company may, by ordinary resolution,—

- a. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- b. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- c. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- d. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**37)** Where shares are converted into stock,—

- a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- c. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

**38)** In compliance of the provisions of the Act, the company may reduce—

- a. its share capital;
- b. any capital redemption reserve account;
- c. any share premium account; or
- d. Any other reserve in the nature of the share capital.

#### **Capitalisation of profits**

**39)**

- A. The company in general meeting may, upon the recommendation of the Board, resolve-
- B. that it is desirable to capitalize 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
- C. 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.
- D. 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—
- E. paying up any amounts for the time being unpaid on any shares held by such members respectively;
- F. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- G. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- H. 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;
- I. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

**40)**

- I. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
  - a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - b) generally do all acts and things required to give effect thereto.
- II. The Board shall have power
  - a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

III. Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

41) Notwithstanding anything contained in these articles but subject to compliance of the provisions of sections 68 to 70 and any other applicable provision of the Act, the company shall have authority to buy back its shares or other specified securities.

#### **General meetings**

42) All general meetings other than annual general meeting shall be called extraordinary general meeting.

43) (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **(A) Notice of Meeting:**

A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode as per provision of the act:

Provided that a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting.

#### **Proceedings at general meetings**

44)

a. 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.

b. Two members personally present shall be a quorum of any general meeting of the Company.

45) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

46) 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.

47) 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.

a. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote

b. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

c. The Chairman shall exercise an absolute discretion in the matters as are or could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or detrimental to the interests of the Company. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

48) In case of a One Person Company the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118 such minutes book shall be signed and dated by the member the resolution shall become effective from the date of signing such minutes by the sole member.

#### **Adjournment of Meeting**

49)

a. 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.

b. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

- c. 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.
- d. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting rights**

- 50) Subject to any rights or restrictions for the time being attached to any class or classes of shares –
  - On a show of hands every members holding equity shares present in person shall have one vote. On a poll every such member present in person or by proxy shall have one vote for each share held by him.
- 51) A member, if e-voting facility provided by the Company, may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 52)
  - a. 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.
  - b. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 53) 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 show of hands or on a poll by his committee or guardian may on a poll vote by proxy.
- 54) Any business other than that upon which a poll has been demanded maybe proceeded with pending the taking of the poll.
- 55) 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 and no member shall exercise any voting rights in respect of any shares in regards to which the Company has or have exercised any right of lien.
- 56)
  - a. 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.
  - b. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **Proxy**

- 57) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.
  - i. Any member of a company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person or attorney whether member or not as a proxy to attend and vote at the meeting instead of himself, and that proxy so appointed shall not, unless be a member, have any right to speak at the meeting and shall not be entitle to vote except on poll.
- 58) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- 59) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

- 60) Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen).

As on the date of adoption of this Articles of Association following are the directors of the Company:

- a. Navin Saraogi

- b. Aansh Rajesh Bindal
- c. Sumitkumar Jayantibhai Patel
- d. Drashti Laxmikant Solanki
- e. Aayush Kamleshbhai Shah

The following shall be the First Directors of the Company.

- a. Navin Saraogi
- b. Sanjay Premchand Bindal

- a. Subject to the provisions of Section 149 of the Act, the Company may from time to time by Special Resolution increase or reduce the number of Directors within the limits fixed by these Articles, and may also determine in what rotation the increased or reduced number is to vacate the office. A person appointed as a Director shall not act as a Director unless he gives his consent to hold the office as director and such consent has been filed with the Registrar within thirty days of his appointment in such manner as prescribed in the relevant Rules. The Directors shall appoint one women director as per the requirements of section 149 of the Act.
- b. The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.

**61)**

- I. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
  - 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—
  - in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - in connection with the business of the company.
- II. Not less than two-thirds of the total number of Directors of the Company 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 said Act; be appointed by the Company in General Meeting.
- III. The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.
- IV. Subject to the provisions of Section 152 of the Act at every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office.
- V. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re- election.
- VI. At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
- VII. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place.
- VIII. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :-
  - a. at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the

meeting and lost;

- b. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
  - c. he is not qualified or is disqualified for appointment;
  - d. a resolution, whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the said Act;
- 62)** The Board may pay all expenses incurred in getting up and registering the company.
- a. The remuneration payable to the Directors, including any Managing or Whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act by a resolution passed by the Company in General Meeting.
  - b. Every Director shall be paid a sitting fee not exceeding the limits prescribed in the Companies Act, 2013 or any amendment thereof for each meeting of the Board of Directors or of any committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the company or in connection with the business of the Company to and from any place.
- 63)** 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.
- 64)** 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.
- 65)** 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.
- 66)** Subject to the provisions of section 149, the Board of Directors shall have power at any time, and from time to time, to appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office only up to the date of the next Annual General Meeting, or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company at that meeting subject to the provisions of the Act.
- i. The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an Alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director. An Alternate Director shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly. An Alternate Director shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India as aforesaid any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director. An Alternate Director may be removed by the Board of Directors which may appoint another Alternate Director in his place.
  - ii. The Board may appoint any person as a director nominated by any financial institution, bank, corporation or any other statutory body, or if the Company has entered into any obligation with any such institution, bank, corporation or body in relation to any financial assistance by way of loan advanced to the Company or guarantee or given of any loan borrowed or liability incurred by the Company or so long as the Company is indebted. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
  - iii. If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board and the person so appointed shall hold office upto the date which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid.
  - iv. Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated.
  - v. A company in General Meeting appoint a director in accordance with the provisions of Section 160 of the Act except

that the proposed candidate for the post of director shall not be required to deposit a sum of Rs. 1.00 Lakh as provided in that Section.

- vi. Appointment of directors need not to be voted individually. Any number of directors subject to the limit imposed by the Act can be appointed by a single resolution.
- vii. Subject to the restrictions imposed under the Act, the Directors shall have the right to delegate any of their powers to such managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

**(A) Borrowing powers**

- i. The Board may from time to time, for the purpose of the Company's business raise or borrow or secure the payment of any sum or sums exceeding paid up capital and free reserves in addition to temporary loans, if any, obtained from the Company's bankers as they, in their discretion deem fit and proper, without such approval from the members. Any such money may be raised or the payment or repayment of thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures, stocks of the Company charged upon all or any part of the property of the Company [both present and future] including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

**(B) Managing Director or Whole Time Director**

- I. The Board of Directors may, from time to time, appoint one or more of their body to the office of the Managing Director or whole time Director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. His appointment will be automatically terminated if he ceases to be a Director. Such appointment can be made with the formal Letter of Appointment and by passing of resolution as may be required in the Act. However –
  - a) Ratification from shareholder's for appointment of Managing Director or Whole Time Director shall not be required.
  - b) A notice of the Board Meeting proposing a resolution required to be passed for appointment of Managing Director or Whole Time Director shall not mandatorily contain Terms & Conditions of appointment and details pertaining to remuneration.
  - c) A Managing or whole time Director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in other) as the Board of Directors may determine.
  - d) The Board of Directors, subject to the provisions of the Act, may entrust to and confer upon a Managing or whole time Director or Committee of Directors any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.
  - e) The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.

**Proceedings of the Board**

- 67) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 68) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 69) 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.
  - a. A minimum number of four meetings of the Directors shall have been held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meeting and proceedings, as they think fit.
  - b. The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third

being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other audio visual means shall also be counted for the purposes of quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time.

Explanation: The expressions “interested Director” shall have the meanings given in Section 184(2) of the said Act and the expression “total strength” shall have the meaning as given in Section 174 of the Act.

70) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

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 members to be Chairperson of the meeting.

71) 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.

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.

72) A committee may elect a Chairperson of its meetings. 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.

73) A committee may meet and adjourn as it thinks fit.

a) 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.

74) 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.

75) 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.

76) In case of One Person Company where the company is having only one director all the businesses to be transacted at the meeting of the board shall be entered into the minutes book maintained under section 118 such minutes book shall be signed and dated by the director the resolution shall become effective from the date of signing such minutes by the director

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

77) Subject to the provisions of the Act,-

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;

b. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

78) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **Registers:**

a. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

b. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting

the keeping of any such register.

- c. The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

#### **The Seal**

- 79) No Common Seal is required as per the provisions of the Companies Act, 2013.

#### **Dividends and Reserve**

- 80) The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

- 81) 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.

- 82) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

- 83)

- 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.

- 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.

- 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.

- 84) 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.

- 85)

- 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.

- b. Every such electronic transfer, cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders may, direct the payment of the cheque or warrant if purporting to be duly endorsed shall be a good discharge to the Company. Payment in any way whatsoever shall be made at the risk of the person entitled to the money represented thereby.

- 86) 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.

- 87) 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.

- 88) No dividend shall bear interest against the company.

#### **Accounts**

- 89) 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.

- i. 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.

- ii. Subject to Section 129 of the Act at every Annual General Meeting of the Company the Directors shall lay before the Company a Financial Statements for each financial year. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. Every account when audited and approved by a General Meeting shall be conclusive.

**(a) Audit:**

Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

The remuneration of the Auditors shall be fixed by the Board as authorised in a General Meeting from time to time.

**Winding up**

**90)** Subject to the provisions of Chapter XX of the Act and rules made thereunder-

- a. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**Indemnity**

**91)**

- a. 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.
- b. Subject to the provisions of the Act, the Managing Director and every Director, Manager, Company Secretary and other officer or Employee of the Company shall be indemnified by the Company against any liability, and it shall be the duty of Directors out of the funds of the Company to pay, all costs and losses and expenses (including travelling expenses) which any such Director, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Company Secretary, Officer or Employee or in any way in the discharge of his duties.
- c. Subject as aforesaid the Managing Director and every Director, Manager, Company Secretary, or other officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings, whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- d. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.
- e. Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the act, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys or the company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his officer or in relation thereto unless the same happen through his own willful act or default.

**Others General Power**

**92)** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such

transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

**(A) Secrecy Clause**

- I. No member shall be entitled to inspect the Company works without the permission of the Director, or Managing Director, or to require discovery of or any information respecting any details of the Company's manufacturing process, technology, marketing strategies trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the Company to communicate to the public.
- II. Every Director, Managing Director, Manager, Company Secretary, Auditor, Trustee, Members of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or any meeting or by a Court of Law or by the person to whom such matters relate and expect so far as may be necessary in order to comply with any of the provisions of these Articles or law.

**(B) Notices and Service of Documents**

- I. It shall be imperative on every member or notify to the Company for registration his place of address in India and if he has no registered address within India to supply to the Company an address within India for giving of notices to him. A member may notify his email address if any, to which the notices and other documents of the company shall be served on him by electronic mode. The Company's obligation shall be satisfied when it transmits the email and the company shall not be responsible for failure in transmission beyond its control.
- II. Subject to Section 20 of the said Act, a document may be served by the Company on any member thereof by sending it to him by post or by registered post or by speed post or by courier or by delivering at his address (within India) supplied by him to the company for the service of notices to him. The term courier means person or agency who or which delivers the document and provides proof of its delivery.

Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by any and every notice and other document in respect of such share which previous to his name and address being entered upon the register shall have been duly given to the person from whom he derives his title to such share. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these presents shall be sufficiently given, if given by advertisement, once in English and once in a vernacular daily newspaper circulating in the city, town or village in which the registered office of the Company is situate. Any notice or document served in the manner hereinbefore provided shall notwithstanding such member be then dead and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof and such service, for all purposes of these presents be deemed a sufficient service of such notice or documents on his heirs, executors, administrators and all person (if any) jointly interested with him in any such shares. Any notice given by the Company shall be signed (digitally or electronically) by a Director or by the Secretary or some other officer appointed by the Directors and the signature thereto may be written, facsimile, printed, lithographed, photostat. A document may be served on the Company or on an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post or by Registered Post or by leaving it at its Registered Office, or by means of such electronic mode or other mode as may be specified in the relevant Rules.

## SECTION XIV – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus, will be delivered to the ROC for registration/submission of the Red Herring Prospectus/Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Survey 279 & 280, Unit No.13, Sub Plot No. 18 Sector 3 of Dholi Integrated Spinning Park, Ahmedabad, Gujarat- 382240 from the date of filing the Red Herring Prospectus with ROC on all Working Days until the Bid/Offer Closing Date. Copies of below mentioned Material Contracts and Documents are also available on the website of the company on [www.siddhicotspin.com](http://www.siddhicotspin.com)

#### A. MATERIAL CONTRACTS

1. Offer Agreement dated April 17, 2024 executed between our Company, Selling Shareholders and Book Running Lead Manager to the Offer.
2. Registrar and Transfer Agent Agreement dated April 17, 2024 executed between our Company and the Registrar to the Offer.
3. Market Making Agreement dated [●], executed between our Company, Book Running Lead Manager and Market Maker to the Offer.
4. Banker to the Offer Agreement dated [●], executed between our Company, Book Running Lead Manager, Banker to the Offer and the Registrar to the Offer.
5. Underwriting Agreement dated [●], executed between our Company, Selling Shareholders, Book Running Lead Manager, and Underwriter.
6. Syndicate Agreement dated [●] executed between our Company, Selling Shareholders, Book Running Lead Manager and Syndicate Member
7. Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated January 29, 2024.
8. Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated January 12, 2024.

#### B. MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Certificate from M/s. JPMK and Company, Chartered Accountants dated April 29, 2024 regarding the source of capital contribution for minimum promoter contribution.
3. Board Resolution dated March 18, 2024 and Special Resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on March 26, 2024.
4. Board Resolution of Directors dated May 01, 2024 approving this Draft Red Herring Prospectus.
5. Statement of Tax Benefits dated April 10, 2024 issued by our Statutory Auditors M/s. JPMK and Company, Chartered Accountants.
6. Copy of Restated Financial Statement and along with Report from the peer review certified auditor M/s. JPMK and Company, Chartered Accountants for the period ended December 31, 2023 and for the financial year ended on March 31, 2023, 2022 and 2021 dated March 28, 2024 included in this Draft Red Herring Prospectus.
7. Copy of Audited Financial Statement for the period ended on December 31, 2023 and the year ended on March 2023, 2022 and 2021.
8. Search Report issued by Keyur J Shah & Associates, Practicing Company Secretary dated April 13, 2024.
9. Copy of Certificate from M/s. JPMK and Company, Chartered Accountants dated April 27, 2024 regarding the source and deployment towards the objects of the Offer.
10. Certificate from M/s. JPMK and Company, Chartered Accountants dated April 27, 2024 regarding the Key Performance indicators of the Company as disclosed in chapter Basis for Offer Price.
11. Certificate dated February 24, 2024, from M/s S. K. Patel, Independent Chartered Engineer certifying, inter alia, the details in relation to the installed production capacities and capacity utilizations of our manufacturing facilities.

12. Consents of Promoter, Selling Shareholders, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Independent Chartered Engineer, Bankers to the Company, Legal Advisor to the Offer, the Book Running Lead Manager to the Offer, Registrar to the Offer, Banker to the Offer\*, Market Maker\* and Underwriter to the Offer\* to act in their respective capacities.

*\*to be obtained prior filing of Prospectus.*

13. Due Diligence Certificate from Book Running Lead Manager dated May 01, 2024 addressing SEBI.

14. Copy of In-principle approval letter dated [●] from the NSE.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATIONS

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### Signed by the Directors of the Company:

Name	Designation	Signature
Mr. Navin Saraogi	Chairman & Independent Director	sd/-
Mr. Aansh Rajesh Bindal	Whole Time Director	sd/-
Ms. Drashti Laxmikant Solanki	Independent Director	sd/-
Mr. Sumit Jayantibhai Patel	Independent Director	sd/-
Mr. Aayush Kamleshbhai Shah	Independent Director	sd/-

### Signed by:

Name	Designation	Signature
Mr. Vardhaman Parimalkumar Shah	Chief Financial Officer	sd/-
Mr. Jagdish Shamjibhai Kanzariya	Company Secretary and Compliance Officer	sd/-

**Date:** May 01, 2024

**Place:** Ahmedabad