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DRAFT RED HERRING PROSPECTUS
Dated July 13, 2023
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

CREDO BRANDS MARKETING LIMITED

Corporate Identity Number: U18101MH1999PLC119669

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
B-8, MIDC Central Road, Marol, Next to MIDC Police Station, Andheri (E), Mumbai - 400093, Maharashtra, India	Sanjay Kumar Mutha *Company Secretary and Compliance Officer*	**E-mail:** investorrelations@mufti.in **Tel:** +91 22 6141 7200	www.credobrands.in

OUR PROMOTERS: KAMAL KHUSHLANI AND POONAM KHUSHLANI

DETAILS OF THE OFFER

Type of Offer	Offer for Sale Size	Total Offer size	Eligibility and Share Reservation among QIBs, NIBs and RIBs
Offer for Sale	Up to 19,634,960 Equity Shares aggregating up to ₹ [●] million	[●]	The Offer is being made pursuant to Regulation 6(1) of SEBI ICDR Regulations. For details in relation to share reservation among QIBs, NIBs and RIBs, please see the section entitled "*Offer Structure*" on page 308.

DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION ON A FULLY DILUTED BASIS (IN ₹ PER EQUITY SHARE)*
Kamal Khushlani	**Promoter Selling Shareholder**	Up to 4,140,000 Equity Shares aggregating up to ₹ [●] million	8.48
Poonam Khushlani	**Promoter Selling Shareholder**	Up to 4,275,000 Equity Shares aggregating up to ₹ [●] million	0.16
Sonakshi Khushlani	**Promoter Group Selling Shareholder**	Up to 108,000 Equity Shares aggregating up to ₹ [●] million	Nil
Andrew Khushlani	**Promoter Group Selling Shareholder**	Up to 108,000 Equity Shares aggregating up to ₹ [●] million	Nil
Concept Communication Limited	**Other Selling Shareholder**	Up to 2,032,260 Equity Shares aggregating up to ₹ [●] million	7.75
Bela Properties Private Limited	**Other Selling Shareholder**	Up to 5,031,260 Equity Shares aggregating up to ₹ [●] million	46.99
Jay Milan Mehta	**Other Selling Shareholder**	Up to 1,970,220 Equity Shares aggregating up to ₹ [●] million	5.71
Sagar Milan Mehta	**Other Selling Shareholder**	Up to 1,970,220 Equity Shares aggregating up to ₹ [●] million	5.71

**As certified by Dileep & Prithvi, Chartered Accountants, by way of their certificate dated July 13, 2023.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 2. The Floor Price, Cap Price and Offer Price determined by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers ("**BRLMs**"), on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 99 should not be considered 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 nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 the 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 "*Risk Factors*" on page 23.

COMPANY AND SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the 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 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. Each of the Selling Shareholders, severally and not jointly, accept responsibility for and confirm the statements specifically made or confirmed by the Selling Shareholders in this Draft Red Herring Prospectus solely to the extent of the information specifically pertaining to itself and its portion of the Equity Shares offered by it in the Offer for Sale, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company or any other Selling Shareholders in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", and together with NSE, the "**Stock Exchanges**"). Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to the letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

NAME OF BRLM AND LOGO	CONTACT PERSON	E-MAIL AND TELEPHONE
DAM Capital Advisors Limited	Chandresh Sharma	**E-mail**: mufti.ipo@damcapital.in **Tel**: +91 22 4202 2500
ICICI Securities Limited	Namrata Ravasia / Gaurav Mittal	**E-mail**: mufti.ipo@icicisecurities.com **Tel**: +91 22 6807 7100
Keynote Financial Services Limited#	Radha Kirthivasan / Sunu Thomas	**E-mail**: mbd@keynoteindia.net **Tel**: +91 22 6826 6000

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
Link Intime India Private Limited	Shanti Gopalkrishnan	**E-mail**: credobrands.ipo@linkintime.co.in **Tel**: +91 81 0811 4949

BID/ OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE*	[●]
BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON^**	[●]

 # In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, Keynote Financial Services Limited will be involved only in marketing of the Offer. Keynote Financial Services Limited has signed the due diligence certificate and has been disclosed as a BRLM for the Offer.

** Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

***Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, 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.*

^UPI mandate end time shall be at 5:00 PM on Bid/ Offer Closing Date.

DRAFT RED HERRING PROSPECTUS
Dated July 13, 2023
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

CREDO BRANDS MARKETING LIMITED

Our Company was incorporated as a private limited company in the name of 'Credo Brands Marketing Private Limited' in Mumbai, India under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 29, 1999 issued by the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**"). Subsequently, our Company was converted from a private limited company to a public limited company and the name of our Company was changed to 'Credo Brands Marketing Limited', pursuant to a board resolution dated April 7, 2023, and a special resolution passed by our shareholders on April 18, 2023, consequent to which a fresh certificate of incorporation dated May 11, 2023, was issued by the RoC to our Company. For further details on changes to the address of the Registered and Corporate Office, see "*History and Certain Corporate Matters*" on page 170.

Registered and Corporate Office: B-8, MIDC Central Road, Marol, Next to MIDC Police Station, Andheri (E), Mumbai 400093, Maharashtra, India; **Tel:** +91 22 6141 7200
Website: www.credobrands.in; **Contact Person**: Sanjay Kumar Mutha, Company Secretary and Compliance Officer; **E-mail:** investorrelations@mufti.in
Corporate Identity Number: U18101MH1999PLC119669

OUR PROMOTERS: KAMAL KHUSHLANI AND POONAM KHUSHLANI

INITIAL PUBLIC OFFER OF UP TO 19,634,960 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF CREDO BRANDS MARKETING LIMITED (THE "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION ("OFFER") COMPRISING AN OFFER FOR SALE OF UP TO 4,140,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY KAMAL KHUSHLANI AND UP TO 4,275,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY POONAM KHUSHLANI (TOGETHER THE "PROMOTER SELLING SHAREHOLDERS"), UP TO 108,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY SONAKSHI KHUSHLANI AND UP TO 108,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ANDREW KHUSHLANI (TOGETHER THE "PROMOTER GROUP SELLING SHAREHOLDERS"), UP TO 2,032,260 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY CONCEPT COMMUNICATION LIMITED, UP TO 5,031,260 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY BELA PROPERTIES PRIVATE LIMITED, UP TO 1,970,220 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY JAY MILAN MEHTA AND UP TO 1,970,220 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY SAGAR MILAN MEHTA (TOGETHER THE "OTHER SELLING SHAREHOLDERS" ALONG WITH THE PROMOTER SELLING SHAREHOLDERS AND PROMOTER GROUP SELLING SHAREHOLDERS IS COLLECTIVELY REFFERED TO AS THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE" AND SUCH EQUITY SHARES, THE "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE 30.54% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 2 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER, AND IN THE MUMBAI EDITION OF [●], A MARATHI DAILY NEWSPAPER, EACH WITH WIDE CIRCULATION (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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 and the Promoter Selling Shareholders may, in consultation with the BRLMs, 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 public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"), provided that our Company and Promoter Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third 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-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% 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. One-third of the Non-Institutional Portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-third of the Non-Institutional Portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹1,000,000 provided that under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders (defined herein), as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 312.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 2 each. The Floor Price, Cap Price and Offer Price as determined and justified by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, and on the basis of the assessment of market demand for the Equity Shares by way of Book Building Process, in accordance with the SEBI ICDR Regulations, as stated under "*Basis for Offer Price*" on page 99 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 nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors of the Red Herring Prospectus carefully before taking an investment decision in the 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 "*Risk Factors*" on page 23.

COMPANY AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the 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 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. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirm that the statements specifically made or confirmed by the Selling Shareholders in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to itself and its portion of the Equity Shares offered by it in the Offer for Sale, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company or any other Selling Shareholders in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 389.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
DAM Capital Advisors Limited One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India. **Telephone**: +91 22 4202 2500 **E-mail**: mufti.ipo@damcapital.in **Website**: www.damcapital.in **Investor grievance e-mail**: complaint@damcapital.in **Contact Person**: Chandresh Sharma **SEBI Registration No.**: MB/INM000011336	**ICICI Securities Limited** ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025 Maharashtra, India **Telephone**: +91 22 6807 7100 **E-mail**: mufti.ipo@icicisecurities.com **Website**: www.icicisecurities.com **Investor grievance e-mail**: customercare@icicisecurities.com **Contact Person**: Namrata Ravasia / Gaurav Mittal **SEBI Registration No.**: INM000011179	**Keynote Financial Services Limited#** The Ruby, 9th Floor Senapati Bapat Marg Dadar (West), Mumbai – 400 028, Maharashtra, India **Telephone**: +91 22 6826 6000 **E-mail**: mbd@keynoteindia.net **Website**: www.keynoteindia.net **Investor grievance e-mail**: investors@keynoteindia.net **Contact Person**: Radha Kirthivasan / Sunu Thomas **SEBI Registration No.**: INM000003606	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India **Telephone**: +91 81081 14949 **E-mail**: credobrands.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Investor grievance e-mail**: credobrands.ipo@linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

BID/ OFFER PERIOD	
BID/ OFFER OPENS ON*	[●]*
BID/OFFER CLOSES ON^**	[●]**

 # In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, Keynote Financial Services Limited will be involved only in marketing of the Offer. Keynote Financial Services Limited has signed the due diligence certificate and has been disclosed as a BRLM for the Offer.

**Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

***Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, 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.*

^UPI mandate end time shall be at 5:00 PM on Bid/ Offer Closing Date.

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SECTION I: GENERAL
DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

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

Notwithstanding the foregoing, terms in the chapters/sections entitled "Statement of Special Tax Benefits", "Industry Overview", "Our Business", "Key Regulations and Policies in India", "Financial Information", "Outstanding Litigation and Other Material Developments" and "Main Provisions of Articles of Association" will have the meaning ascribed to such terms in these respective chapters/sections.

General Terms

Term	Description
"Our Company"/ "the Company"/ "the Issuer"	Credo Brands Marketing Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at B-8, MIDC Central Road, Marol, Next to MIDC Police Station, Andheri (East) Mumbai – 400093, Maharashtra, India
"We"/ "us" / "our" / "Group"	Unless the context otherwise indicates or implies, refers to our Company, together with our Subsidiary on a consolidated basis.

Company and Selling Shareholder Related Terms

Term	Description
"Articles of Association" / "AoA"	Articles of Association of our Company, as amended
Audit Committee	Audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations as described in "*Our Management*" on page 176
"Auditors" / "Statutory Auditors"	The current statutory auditors of our Company, namely, Deloitte Haskins and Sells LLP
"Board" / "Board of Directors"	Board of directors of our Company, as constituted from time to time, including a duly constituted committee thereof
BCCL Amendment Agreement	Agreement dated July 12, 2023 amongst Bennett Coleman & Co. Limited, the Company, Kamal Khushlani and Poonam Khushlani to amend the terms of the BCCL SSA.
BCCL SSA	Share subscription agreement dated December 31, 2008 entered amongst Bennett Coleman & Co. Limited, the Company, Kamal Khushlani, Poonam Khushlani and Kavita Khushlani
BETL SPA	Share purchase and shareholders agreement dated October 20, 2009 entered amongst Brand Equity Treaties Limited, the Company and Kamal Khushlani
BETL SSA	Share subscription agreement dated October 20, 2009 entered amongst Brand Equity Treaties Limited, the Company, Kamal Khushlani, Poonam Khushlani and Kavita Khushlani
BETL SPA Amendment Agreement	Agreement dated July 12, 2023 amongst Bennett Coleman & Co. Limited, the Company and Kamal Khushlani to amend the terms of the BETL SPA
BETL SSA Amendment Agreement	Agreement dated July 12, 2023 amongst Bennett Coleman & Co. Limited, the Company, Kamal Khushlani and Poonam Khushlani to amend the terms of the BETL SSA
"Chairperson" / "Chairman"	The chairperson/chairman of our Board, being Kamal Khushlani
Chief Financial Officer	The chief financial officer of our Company, being Rasik Mittal
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, being Sanjay Kumar Mutha
"Corporate Social Responsibility Committee" / "CSR Committee"	The corporate social responsibility committee of our Company constituted in accordance with the Companies Act, 2013 as described in "*Our Management*" on page 176
Director(s)	Director(s) of our Company, as appointed from time to time as disclosed in "Our Management" on page 176
Dharmayug SSA	Share subscription agreement dated December 31, 2008 entered amongst Dharmayug Investments Limited, the Company, Kamal Khushlani, Poonam Khushlani and Kavita Khushlani
Dharmayug Amendment Agreement	Agreement dated July 12, 2023 amongst Dharmayug Investments Limited, the Company, Kamal Khushlani and Poonam Khushlani to amend the terms of the Dharmayug SSA
ESOP	Employee Stock Option Plan
ESOP Scheme 2020	The Company's employee stock option scheme, Credo Stock Option Plan 2020, as amended
Equity Shares	Equity shares of our Company of face value of ₹ 2 each
Executive Director(s)	Executive directors of our Company comprising of our Managing Director and Whole-time Director. For further details of the Executive Directors, see *"Our Management"* on page 176
Independent Director(s)	Independent Director(s) on our Board. For details of the Independent Directors, see *"Our Management"* on page 176

Term	Description
IPO Committee	The IPO committee of our Company as described in *"Our Management"* on page 176
"Key Managerial Personnel(s)" / "KMP(s)"	Key managerial personnel of our Company in terms of the Regulation 2 (1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, as applicable and as disclosed in "*Our Management – Key Managerial Personnel and Senior Managerial Personnel*" on page 188
Managing Director	The managing director of our Company, Kamal Khushlani
Materiality Policy	The materiality policy of our Company adopted by our Board pursuant to a resolution dated June 26, 2023, for identification of: (a) material outstanding litigation proceedings; (b) Group Companies; and (c) outstanding dues to material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus.
"Memorandum of Association" / "MoA"	Memorandum of Association of our Company, as amended
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company constituted in accordance with the Companies Act, 2013 as described in "*Our Management*" on page 176
Non-Executive Director(s)	Non-executive director(s) on our Board appointed as per Companies Act, 2013 and the SEBI Listing Regulations, as described in *"Our Management"* on page 176
Other Selling Shareholders	Selling Shareholders apart from the Promoter Selling Shareholders and Promoter Group Selling Shareholders, i.e Concept Communication Limited, Bela Properties Private Limited, Jay Milan Mehta and Sagar Milan Mehta
Promoters	Promoters of our Company namely, Kamal Khushlani and Poonam Khushlani. For details, please see the section entitled "*Our Promoters and Promoter Group*" on page 192
Promoter Selling Shareholders	Promoters who are offering their shares as a part of the Offer for Sale, i.e Kamal Khushlani and Poonam Khushlani
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, please see the section entitled "*Our Promoters and Promoter Group*" on page 192
Promoter Group Selling Shareholders	Promoter Group members who are offering their shares as a part of the Offer for Sale, i.e Sonakshi Khushlani and Andrew Khushlani
"Registered Office" / "Registered and Corporate Office"	Registered and corporate office of our Company is situated at B-8, MIDC Central Road, Marol, Next to MIDC Police Station, Andheri (E), Mumbai 400 093, Maharashtra, India
"Registrar of Companies" / "RoC"	Registrar of Companies, Maharashtra at Mumbai
Restated Consolidated Financial Information	The restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated cash flow statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information of the Company prepared in accordance with Section 26 of the Companies Act, SEBI ICDR Regulations and the ICAI Guidance Note.
Risk Management Committee	Risk Management Committee of our Company constituted in accordance with the Companies Act, 2013 as described in "*Our Management*" on page 176
"Senior Managerial Personnel" / "Senior Management" / "SMP"	The senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in "*Our Management – Key Managerial Personnel and Senior Managerial Personnel*" on page 188
Selling Shareholders	Collectively the Promoter Selling Shareholders, Promoter Group Selling Shareholders and Other Selling Shareholders
Shareholders	Equity shareholders of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Company constituted in accordance with the Companies Act, 2013 as described in the section entitled "*Our Management*" on page 176
"Subsidiary" / "KMPL"	The subsidiary of our Company, being KAPS Mercantile Private Limited
Whole-time Director	Whole-time Director on our Board, as described in "*Our Management*" on page 176, i.e Poonam Khushlani

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document to be issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
"Allot"/ "Allotment"/ "Allotted"	Unless the context otherwise requires, transfer of Equity Shares offered pursuant to the transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Escrow Accounts	Accounts to be opened with Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through direct credit, NEFT, RTGS or NACH in respect of the Bid Amount when submitting a Bid

Term	Description
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Offer Period, in terms of the Red Herring Prospectus. The Anchor Investor Allocation Price will be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs during the Anchor Investor Bid / Offer Period
Anchor Investor Application Form	The 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
Anchor Investor Bid/Offer Period	[●], being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors will be submitted prior to and after which the BRLMs will not accept any bids from the Anchor Investor and allocation to Anchor Investors will be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to 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 Promoter Selling Shareholders, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
"Application Supported by Blocked Amount" / "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and includes applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of the UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	The Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in the section entitled "*Offer Procedure*" on page 312
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations as per the terms of the Red Herring Prospectus and the Bid Cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including ASBA Form, and which may be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of the [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and the Mumbai edition of [●], Marathi daily newspapers (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) each with wide circulation, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published. In case of any revision, the extended Bid/ Offer Closing shall also be notified on the websites and terminals of the Members of the Syndicate as required under the SEBI ICDR Regulations and also intimated

Term	Description
	to the Designated Intermediaries and the Sponsor Bank(s). Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, may consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations which shall also be notified by advertisement in the same newspapers where the Bid/ Offer Opening Date was published, in accordance with the SEBI ICDR Regulations.
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which will be published in all editions of the [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and the Mumbai edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located) each with wide circulation, and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the Syndicate Members and also intimated to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations
Bid/Offer Period	Except in relation to any Bids received from Anchor Investors, 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. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs 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 SEBI ICDR Regulations
Bidder(s)	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, and includes an ASBA Bidder and an Anchor Investor
Bidding Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
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
"BRLMs" / "Book Running Lead Managers"	The book running lead managers to the Offer namely, DAM Capital Advisors Limited, ICICI Securities Limited and Keynote Financial Services Limited*. **In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, Keynote Financial Services Limited will be involved only in marketing of the Offer. Keynote Financial Services Limited has signed the due diligence certificate and has been disclosed as a BRLM for the Offer. Keynote Financial Services Limited is an associate of one of the Selling Shareholders, namely, Concept Communication Limited.*
Broker Centres	Broker centres of the Registered Brokers notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges, www.bseindia.com and www.nseindia.com, as updated from time to time
"CAN" / "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to successful Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revision thereof. Provided that the cap of the price band shall be at least 105% of the floor price
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Banker(s) to the Offer for the appointment of the Sponsor Bank(s) in accordance with UPI Circulars, collection of the Bid Amounts, transfer of funds to the Public Offer Accounts, and where applicable remitting refunds, if any, to the Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number of the Bidder's beneficiary account maintained with one of the Depositories in relation to the demat account
"Collecting Depository Participant" / "CDP"	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 and the UPI Circulars, issued by SEBI and the Stock Exchanges, as per the list available on the websites of the Stock Exchanges, www.bseindia.com and www.nseindia.com, as updated from time to time
"Collecting Registrar and Share Transfer Agents" / "CRTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of Circular no. CIR/CFD/POLICYCELL/11/2015 dated

Term	Description
	November 10, 2015 and of the UPI Circulars
Cut-off Price	The Offer Price finalized by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
CSR	Corporate and Social Responsibility
CSR Committee	Corporate Social Responsibility Committee of the Board of Directors
DAM Capital	DAM Capital Advisors Limited
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, PAN, bank account details and UPI ID wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time
Designated Date	The date on which the funds from the Anchor Escrow Accounts are transferred to the Public Offer Account or the Refund Account(s), as appropriate, and the relevant amounts blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Offer Account and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus after finalization of basis of allotment with the Designated Stock Exchange, following which the Board of Directors may allot the Equity Shares to successful bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs and NIBs by authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate members, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate members, Registered Brokers, CDPs, SCSBs and RTAs
Designated RTA Locations	Such centres of the RTAs where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" / "DRHP"	This Draft Red Herring Prospectus dated July 13, 2023, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the Offer Price and the size of the Offer, including any addendum and corrigendum thereto
EBO Counter Sales	The total net value (net of discount and returns) of the merchandise that are sold to the end consumers at the EBO stores
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares
Escrow Account	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which is/are clearing members and are registered with SEBI as an escrow bank, with whom the Anchor Escrow Accounts in relation to the Offer for Bids by Anchor Investors will be opened, in this case being [●]
Exchange Circulars	The BSE circular no. 20220722-30 dated August 3, 2022 and the NSE circular no. 25/2022 dated August 3, 2022
First Bidder	Bidder whose name shall appear first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which is not less than the face value of the Equity Shares
"General Information Document"/ "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs

Term	Description
ISec	ICICI Securities Limited
Keynote	Keynote Financial Services Limited* ** In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, Keynote Financial Services Limited will be involved only in marketing of the Offer. Keynote Financial Services Limited has signed the due diligence certificate and has been disclosed as a BRLM for the Offer. Keynote Financial Services Limited is an associate of one of the Selling Shareholders, namely, Concept Communication Limited.*
Minimum NIB Application Size	Bid amount of more than ₹ 200,000
Mutual Fund Portion	The portion of the Offer being 5% of the Net QIB Portion or 196,350 Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids having been received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
"Non-Institutional Bidders"/ "NIBs"	All Bidders that are not QIBs (including Anchor Investors) and Retail Individual Bidders who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of 2,945,244 Equity Shares which shall be made available for allocation to Non-Institutional Bidders, subject to valid Bids having been received at or above the Offer Price, out of which i) one third portion is reserved for NIBs with Bid size exceeding ₹ 200,000 up to ₹ 1,000,000; and ii) two-third portion is reserved for NIBs with Bid size exceeding ₹ 1,000,000. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (i) or (ii), may be allocated to Bidders in the other sub-category of non-institutional bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs
Offer	The initial public offering of 19,634,960 Equity Shares for cash at a price of ₹ [●] each (including a premium of ₹ [●] per Equity Share), aggregating to ₹ [●] million, comprising of Offer for Sale.
Offer Agreement	The agreement dated July 13, 2023, entered amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	Offer of up to 19,634,960 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders to be offered for sale pursuant to the Offer in terms of the Red Herring Prospectus and the Prospectus. For further information, please see the section entitled "*The Offer*" on page 61.
Offer Price	₹ [●] per Equity Share, being the final price at which Equity Shares will be Allotted to the successful Bidders (other than Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs in terms of the Red Herring Prospectus on the Pricing Date. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus.
Offer Proceeds	The proceeds of the Offer for Sale, which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 96
Offered Shares	The cumulative number of Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising of an aggregate of up to 19,634,960 Equity Shares aggregating up to ₹ [●] million
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof. The Cap Price shall be at least 105% of the Floor Price. The Price Band, the minimum Bid Lot, for the Offer will be decided by our Company and Promoter Selling Shareholders, in consultation with the BRLMs, and will be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and the Mumbai edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation and at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, will finalise the Offer Price, in accordance with the Book Building Process and the Red Herring Prospectus and the Prospectus
Prospectus	The Prospectus of our Company to be filed with the RoC for this Offer after the Pricing Date,

Term	Description
	in accordance with Section 26 of 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 Bank	The bank with which the Public Offer Account(s) to be opened and maintained, in this case being [●]
Public Offer Account(s)	Bank account(s) to be opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
"QIB Category"/ "QIB Portion"	The portion of the Offer, being not more than 50% of the Offer or 9,817,480 Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, subject to valid Bids having been received at or above the Offer Price)
"Qualified Institutional Buyers" / "QIBs" / "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" / "RHP"	The Red Herring Prospectus of our Company to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, 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. The Red Herring Prospectus shall be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars, issued by SEBI and the Stock Exchanges
Registrar Agreement	The agreement dated July 8, 2023, entered amongst our Company, the Selling Shareholders, the Registrar to the Offer and Registrar to the Company in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" / "RTAs"	Registrars to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars, issued by SEBI and the Stock Exchanges
Registrar to the Company	TSR Consultants Private Limited
"Registrar to the Offer" / "Registrar"	Link Intime India Private Limited
"Retail Individual Bidder(s)"/ "RIB(s)" / "Retail Individual Investors" / "RII(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the Bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of 6,872,236, Equity Shares which shall be made available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations which shall not be less than the Minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and are allowed to withdraw their Bids until Bid/Offer Closing Date.
"Self Certified Syndicate Bank(s)" / "SCSB(s)"	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount is blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Share Escrow Agreement	The agreement dated [●] entered amongst the Selling Shareholders, our Company and a share escrow agent, in connection with the transfer of the respective portion of Offered Shares and credit of such Equity Shares to the demat account of the Allottees
Sponsor Bank(s)	The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI Mechanism and carry

Term	Description
	out any other responsibilities, in terms of the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in this case being [●]
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from the Bidders, a list of which is which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchanges	Collectively, NSE and BSE
"Syndicate" / "Members of the Syndicate"	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement dated [●] to be entered into amongst the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Technopak	Technopak Advisors Private Limited
Technopak Report	Report dated July 11, 2023 and titled "*Industry Report on Men's Western Apparel in India*" that has been commissioned and paid for by our Company and is prepared by Technopak for the purpose of this initial public offering. Technopak was appointed by our Company pursuant to engagement letter dated January 12, 2023. The Technopak Report shall be available on the website of our Company https://www.credobrands.in/investors, from the date of the Red Herring Prospectus till the Bid/ Offer Closing Date.
Underwriters	BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders, to be entered into on or after the Pricing Date, but prior to the filing of the Prospectus
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as Retail Individual Bidders in the Retail Portion and NIB Bidding with a Bid size of up to ₹ 500,000 in the Non-Institutional Portion and Bidding under the UPI Mechanism. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the Bid amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51dated April 20, 2022, SEBI Circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, the Exchange Circulars; and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	Identity document created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank(s) to authorize blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 respectively, as updated from time to time.
UPI Mechanism	The Bidding mechanism that may be used by a UPI Bidder to make a Bid in the Offer in accordance with the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai are open for business; provided however,

Term	Description
	with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, in Mumbai, as per circulars issued by SEBI, including the UPI Circulars

Conventional and General Terms or Abbreviations

Term	Description
"₹" / "Rupees" / "INR"	Indian Rupees
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
"AS" / "Accounting Standards"	Accounting Standards issued by the ICAI
Bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Capital Employed	Total equity, add current borrowings, add non-current borrowings, less current investments, less cash & cash equivalents, less bank balances other than cash & cash equivalents.
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
Demat	Dematerialised
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identification
"DP" / "Depository Participant"	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, Government of India
"Financial Year" / "Fiscal" / "fiscal" / "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FLC	Foreign letter of credit
FPI(s)	Foreign portfolio investor(s) as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investor(s) as defined and registered under the SEBI FVCI Regulations
"GoI" / "Government"	Government of India
GST	Goods and Services Tax
ICAI	The Institute of Chartered Accountants of India
ICAI Guidance Note	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
IFRS	International Financial Reporting Standards as adopted by the International Accounting Standards Board
IT Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards
India	Republic of India
INDAS	Indian Accounting Standards
"Indian GAAP" / "GAAP"	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IST	Indian Standard Time
LC	Letter of credit
Mn	Million
Mutual Fund(s)	Mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
"N.A." / "NA"	Not Applicable

Term	Description
NAV	Net Asset Value
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non-Resident Indian and FPIs
NPCI	National Payments Corporation of India
NR	Non-resident
NRE Account	Non-resident External Account
NRI	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" / "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OCI	Other Comprehensive Income
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI RTA Regulations	Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
STT	Securities Transaction Tax
Systemically Important NBFCs	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Tn	Trillion
"U.S." / "USA" / "United States"	United States of America
UK	United Kingdom
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
"USD" / "US$"	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
"Wilful Defaulter" / "Fraudulent Borrower"	Wilful Defaulter or Fraudulent Borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.

Industry and Business-related terms

Term	Description
B&M	Brick & Mortar
COCO	Company Owned and Company Operated
COFO	Company Owned and Franchise Operated
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization

Term	Description
EBO	Exclusive Brand Outlet
FO	Factory Outlet
FOFO	Franchise Owned and Franchise Operated
GDP	Gross Domestic Product
GNI	Gross National Income
HH	House Holds
IMF	International Monetary Fund
LFS	Large Format Store
MBO	Multi-Brand Outlet
MOSPI	Ministry of Statistics and Programme Implementation
PAT	Profits After Tax
PPP	Purchasing Power Parity
RBI	Reserve Bank of India
ROCE	Return on Capital Employed (Equity + Debt)
ROE	Return on Equity
SKU	Stock-Keeping Unit
Tier 1	Cities with a population in the range of 1 to 5 million
Tier 2	Cities with a population in the range of 0.3 to 1 Million
Tier 3	Cities with a population less than 0.3 Million
TRAI	Telecom Regulatory Authority of India

Key Performance Indicator terms

Term	Description
Creditor Days	Creditor Days is calculated as Trade payable as at the year-end/Cost of goods sold*365. Rounded off to the nearest integer.
Debtor Days	Debtor Days is calculated as Trade Receivable as at the year-end/Revenue from Operations*365. Rounded off to the nearest integer.
EBITDA	EBITDA is calculated as Profit before tax + Depreciation & Amortisation + Finance cost-Other Income.
EBITDA Margin	EBITDA Margin is calculated as EBITDA divided by Revenue from Operations*100.
Fixed Assets Turnover Ratio	Fixed Assets Turnover Ratio is calculated as revenue from operations/ average PPE.
Gross Profit	Gross Profit is Revenue from operation-cost of goods sold.
Gross Profit Margin	Gross Profit Margin is Gross Profit/ Revenue from Operations*100.
Inventory Days	Inventory Days is calculated as average inventory for the year ((opening + closing) /2)/cost of goods sold*365. Rounded off to the nearest integer.
Net Debt/Equity	Net Debt/Equity is calculated as (Total Long term & Short term borrowings + lease liabilities - Cash and cash equivalents) /shareholder’s equity.
Net Working Capital Days	Net Working Capital Days is calculated as Debtor Days + Inventory Days – Creditor Days.
PAT	PAT is mentioned as Profit after Taxes for the period.
PAT Margin	PAT Margin is calculated as PAT/ Revenue from Operations*100.
Revenue from Operations	Revenue from Operations is the total revenue generated by the Company from its operation.
ROCE	ROCE (Return on Capital Employed) is calculated as EBIT (profit before tax + Finance cost) divided by average capital employed ((opening capital employed + closing capital employed) /2), which is defined as average of Equity Fund plus debts plus lease liabilities.
ROE (Return on Equity)	ROE (Return on Equity) is calculated as PAT/ Average Shareholder’s Equity ((opening equity + closing equity) /2).
Year on Year Growth in Revenue from Operations	Year on Year Growth in Revenue from Operations is annual growth in revenue from operation as compare with previous year revenue from operation (Revenue from operation of current year-Revenue from operation of previous year/ Revenue from operation of previous year*100).

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and all references to the "US", "USA" or "United States" are to the United States of America, together with its territories and possessions.

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

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information. The Restated Consolidated Financial Information comprises the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated cash flow statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information of the Company prepared in accordance with Section 26 of the Companies Act, SEBI ICDR Regulations and the ICAI Guidance Note.

The audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2021 (the "**Special Purpose Consolidated Ind AS Financial Statements**") prepared in accordance with basis described in Note 2.1 of the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on June 26, 2023. The Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company for the purpose of preparation of the Restated Consolidated Financial Information as required under the SEBI ICDR Regulations.

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

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections entitled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 23, 146 and 260 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in the sections entitled "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 23, 114 and 146 respectively.

Non-GAAP Measures

There are significant differences between Ind AS and US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS, please see the section entitled "*Risk Factors – Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as U.S. GAAP ("Generally Accepted Accounting Principles in the United States of America") and IFRS ("International Financial Reporting Standards"), which investors may be more familiar with and may consider material to their assessment of our financial condition.*" on page 54. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

EBITDA, EBITDA Margin, PAT Margin, net working capital, current ratio, long term debt/equity, ROCE and ROE presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA, EBITDA Margin, PAT Margin, net working capital, current ratio, long term debt/equity, ROCE and ROE are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBITDA and EBITDA Margin, are not standardised terms, hence a direct comparison of these Non-GAAP measures between companies may not be possible. Other companies may calculate these Non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Currency and Units of Presentation

All references to:

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

Our Company has presented all numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversion 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 Rupee and the USD (in Rupees per USD):

Currency	As on March 31, 2023 (₹)	As on March 31, 2022 (₹)	As on March 31, 2021 (₹)
1 USD	82.22	75.81	73.50

Source: www.fbil.org.in

Note: On instances where the given day is a holiday, the exchange rate from the previous working day has been considered. Exchange rate is rounded off to two decimal places.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from a report dated July 11, 2023 and titled "*Industry Report on Men's Western Apparel in India*" that has been commissioned and paid for by our Company and is prepared by Technopak (the "**Technopak Report**") exclusively for the purpose of understanding the industry our Company operates in, in connection with the Offer. Technopak was appointed by our Company pursuant to engagement letter dated January 12, 2023. The Technopak Report is available on the website of our Company at https://www.credobrands.in/investors, until the Bid / Offer Closing Date. Technopak has confirmed vide its letter dated July 11, 2023 that it is an independent agency, and is not related to our Company, our Directors, our Promoters, our Subsidiary, our Key Managerial Personnel or Senior Managerial Personnel, the Book Running Lead Managers.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but such industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect and their accuracy and completeness are not guaranteed and their reliability cannot be assured. The data used in these sources may have been reclassified by us for the purposes of presentation. Industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 23. Accordingly, investment decisions should not be based solely on such information.

Certain information in the sections entitled "*Summary of the Offer Document*", *"Risk Factors"*, "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on pages 16, 23, 114, 146 and 260, respectively of this Draft Red Herring Prospectus has been obtained from the Technopak Report which is subject to the following disclaimer:

"This information package is distributed by Technopak Advisors Private Limited (hereinafter "Technopak") on a strictly private and confidential and on 'need to know' basis exclusively to the intended recipient. This information package and the information and projections contained herein may not be disclosed, reproduced or used in whole or in part for any purpose

or furnished to any other person(s) without our written consent. The person(s) who is/are in possession of this information package or may come in possession at a later day hereby undertake(s) to observe the restrictions contained herein.

Only leading players are profiled and benchmarked for the purpose of the report and does not necessarily cover all types of players.

The information contained herein is of a general nature and is not intended to address the facts and figures of any particular individual or entity. The content provided here treats the subjects covered here in condensed form. It is intended to provide a general guide to the subject matter and should not be relied on as a basis for business decisions. No one should act upon such information without taking appropriate additional professional advice and/or thorough examination of the particular situation. Technopak and its directors , employees, agents and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (expressed or implied) arising out of, contained in or derived from, or of any omissions from the information package and any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this information package and/or further communication in relation to this information package.

All recipients of the information package should make their own independent evaluations and should conduct their own investigation and analysis and should check the accuracy, reliability and completeness of the information and obtain independent and specified advice from appropriate professional adviser, as they deem necessary."

Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The excerpts of the industry report are disclosed in the Offer Documents and there are no parts, information, data (which may be relevant for the Offer), left out or changed in any manner. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 23. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 99 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "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 generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Our business is primarily concentrated on the sale of men's casual western wear and is vulnerable to variations in demand and changes in consumer preferences which could have an adverse effect on our business, results of operations and financial condition;
- All our products are sold under a single brand, 'Mufti'. Any inability to effectively market our products, or any deterioration in public perception of our brand, could affect consumer footfall and consequently adversely impact our business, financial condition, cash flows and results of operations.
- Our inability to grow the business across emerging markets in India and effectively manage or expand our retail network may adversely impact our business, results of operations and financial condition.
- While we design our products in-house, we rely on outsourcing the manufacturing of finished products to third-party manufacturing partners, without exclusivity arrangements. Any inability to obtain sufficient quantities of apparel of the requisite quality in a timely manner and at acceptable prices, or a slowdown, shutdown or disruption in such third-party manufacturing partners' operations and performance, could adversely affect our business, cash flows, results of operations and financial condition.
- Our business is subject to seasonality. Lower sales and revenue may adversely affect our business, financial condition, and results of operations.

For further discussion of factors that could cause the actual results to differ from the expectations, please see the sections entitled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 23, 146 and 260, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, Selling Shareholders, our Directors, the BRLMs nor any Syndicate member 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 Selling Shareholders shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SECTION II – SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of the Articles of Association" on pages 23, 61, 76, 96, 114, 146, 192, 196, 283, 312 and 334, respectively.

Summary of the primary business of our Company	We are among the largest homegrown brands in the mid-premium and premium men's casual wear market in India in terms of market share in Fiscal 2022. (*Source: Technopak Report*). We believe in providing a meaningful wardrobe solution for multiple occasions in a customer's life, with our product offerings ranging from shirts to t- shirts to jeans to chinos, which caters to all year-round clothing. Our products are designed to provide a youthful appearance while keeping up with the ongoing fashion trends.
Summary of the industry in which our Company operates	Retail market in India was valued at INR 36,880 Bn (USD 461 Bn) in FY 2015 and reached a value of INR 59,680 Bn (USD 746 Bn) in FY 2020, growing at 10.1% CAGR over this period. The retail market was valued at INR 67,520 Bn (USD 844 Bn) in FY 2022 and is projected to grow at a CAGR of 10.9% to reach INR 1,13,360 Bn (USD 1,418 Bn) by FY 2027. Apparel market size in India was valued at INR 4,118 Bn (USD 51.5 Bn) in FY 2022 and projected to grow at a CAGR of ~21.0% between FY 2022 and FY 2027 to reach INR 10,683 Bn (USD 133.5 Bn) by FY 2027 on the back of factors like higher brand consciousness, increasing digitization, greater purchasing power and increasing urbanization. *(Source: Technopak Report)*
Name of Promoters	Kamal Khushlani and Poonam Khushlani. For details, see "*Our Promoters and Promoter Group – Our Promoters*" on page 192.
Offer size	Offer* of up to 19,634,960 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million of our Company, by the Selling Shareholders. The Offer shall constitute 30.54% of the post-Offer paid-up Equity Share capital of our Company. * *The Offer has been authorised by our Board of Directors pursuant to the resolution passed at their meeting on July 13, 2023. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on July 13, 2023. The Equity Shares being offered by each of the Selling Shareholders, severally and not jointly, are eligible for being offered for sale as part of the Offer in terms of the Regulation 8 of the SEBI ICDR Regulations. The Selling Shareholders have confirmed and authorized their participation in the Offer for Sale. For further details of authorisations pertaining to the Equity Shared offered for sale, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 61 and 289.* For further details, see "*The Offer*", "*Terms of the Offer*" and "*Offer Structure*" on pages 61, 302 and 308, respectively.
Objects of the Offer	The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 19,634,960 Equity Shares by the Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India. For further details, see "*Objects of the Offer*" on page 96.
Aggregate pre-Offer shareholding of our Promoters, Promoter Group members and Selling Shareholders as a percentage of our paid-up Equity Share capital	The aggregate pre-Offer shareholding of our Promoters, Promoter Group members and Other Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below.

Name of Shareholder	Number of Equity Shares held	Percentage of the pre-Offer Equity Share Capital on a fully diluted basis (%)#
Promoters*		
Kamal Khushlani	22,260,420	33.84
Poonam Khushlani	18,164,380	27.62
Total (A)	**40,424,800**	**61.46**
Promoter Group members		
Sonakshi Khushlani*	1,914,000	2.91
Andrew Khushlani*	1,914,000	2.91
Indira Gajra	Nil	Nil
Kennedy Ram Gajra	Nil	Nil
G.G. Automotive Gears Limited	Nil	Nil
Total (B)	**38,28,000**	**5.82**
Other Selling Shareholders		

Concept Communication Limited	2,032,260	3.09
Bela Properties Private Limited	5,031,260	7.65
Jay Milan Mehta	1,970,220	3.00
Sagar Milan Mehta	1,970,220	3.00
Total (C)	**11,003,960**	**16.73**
Total (A+B+C)	**55,256,760**	**84.01**

**Also participating as a Selling Shareholder in the Offer*

#Calculated on the basis of total Equity Shares held divided by total Pre-Offer Equity Shares on fully diluted basis including Equity Shares which will result upon conversion of outstanding vested options under ESOP Scheme 2020.

Summary of Restated Consolidated Financial Information

(in ₹ million, except per share data)

Particulars	Fiscals		
	2023	2022	2021
Equity Share capital	32.15	31.92	31.92
Net worth	2,813.51	2,357.26	1,923.33
Revenue from operations	4,981.82	3,411.72	2,448.26
Profit after tax for the year (before other comprehensive income)	775.14	357.40	34.41
Earnings per share			
-Basic (in ₹/share)	12.06	5.60	0.54
-Diluted (in ₹/share)	12.06	5.56	0.54
Net asset value per Equity Share (in ₹/share)	43.75	36.92	30.13
Total Borrowings (including non-current and current borrowings)	100.79	134.64	152.27

Notes

1. *Net Asset Value per Equity Share = Net worth as per the Restated Consolidated Financial Information at the end of the year / Number of equity shares outstanding as at the end of year and adjusted for bonus issue and split of equity shares post last balance sheet i.e. March 31, 2023.*
2. *Basic Earnings per Equity Share (₹) = Net profit after tax attributable to shareholders of the Company, as restated / Weighted average number of Equity Shares outstanding during the year*
3. *Diluted Earnings per Equity Share (₹) = Net Profit after tax attributable to shareholders of the Company, as restated / Weighted average number of potential Equity Shares outstanding during the year*
4. *'Net worth': Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

For further details, see "*Restated Consolidated Financial Information*" on page 196.

Auditor's qualifications which have not been given effect to in the Restated Consolidated Financial Information

Our Statutory Auditors have not made any qualifications that have not been given effect to in the Restated Consolidated Financial Information.

Summary table of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiary, Promoters and Directors as on the date of this Draft Red Herring Prospectus as disclosed in the section titled *"Outstanding Litigation and Material Developments"* in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any Group Companies.

(in ₹ million, unless otherwise specified)

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 million)^
Company						
By the Company	3	-	-	-	1	12.02
Against the Company	-	2	-	-	-	4.00
Directors (including our Promoters)						
By our Directors	-	-	-	-	-	-
Against the Directors	-	5[#]	-	-	-	10.80
Promoters						
By Promoters	-	-	-	-	-	-
Against Promoters	-	5[#]	-	-	-	10.80
Subsidiary						
By Subsidiary	-	-	-	-	-	-
Against Subsidiary	-	1	-	-	-	0.00

^ *To the extent quantifiable.*

[#] *These are the same matters involving the Promoters of the Company, namely Kamal Khushlani and Poonam Khushlani.*

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 283.

Risk factors

Specific attention of Bidders is invited to the section "*Risk Factors*" on page 23. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary table of contingent liabilities and commitments

The following is a summary table of our contingent liabilities and commitments as at March 31, 2023:

(₹ in million)

Particulars	As on March 31, 2023
A. Contingent liabilities	
(i) Claims against the company not acknowledged as debts (Refer note (i) below)	
(a) Demand raised by income tax authorities	4.00
(b) Bonus liability for the FY 2014-15 pending settlement with judiciary authorities	3.87
(c) Claims against Group not acknowledged as debt	3.71
B. Commitments	
Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances) (Refer note (ii) below)	11.12

Notes:

(i) No provision is considered necessary since the Group expects favorable decisions.

(ii) Apart from the commitments disclosed above, the Group has no financial commitments other than those in the nature of regular business operations.

(iii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

For further details of our contingent liabilities, see "*Restated Consolidated Financial Information– Note 33 – Contingent liabilities and commitments (to the extent not provided for)*" on page 241.

Summary of related party transactions

The details of related party transactions for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, as per Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations, derived from the Restated Consolidated Financial Information are set forth in the table below:

(₹ in million)

Particulars	For the year ended		
	March 31,2023	**March 31,2022**	**March 31,2021**
Advance against Investment			
Shares of KAPS Mercantile Private Limited purchased from			
Mr. Kamal Khushlani	-	0.05	-
Mrs. Poonam Khushlani	-	0.05	-
Remuneration			
Mr. Kamal Khushlani	36.20	29.55	7.34
Mrs. Poonam Khushlani	5.04	7.19	2.81
Ms. Sonakshi Khushlani	1.79	2.12	1.22
Mr. Andrew Khushlani	0.71	0.58	0.23
Mr. Rasik Mittal	10.00	10.00	6.32
Mr. Sanjay Kumar Mutha	-	-	-
Interest on loan			
Mr. Kamal Khushlani	0.06	0.06	0.05
Mrs. Poonam Khushlani	0.06	0.05	0.05
Reimbursement of Expenses			
Mr. Kamal Khushlani	0.87	0.77	0.04
Ms. Sonakshi Khushlani	-	-	0.02
Mr. Rasik Mittal	0.45	-	-
Interim Dividend Paid			
Mr. Kamal Khushlani	111.30	-	-
Mrs. Poonam Khushlani	90.82	-	-
Ms. Sonakshi Khushlani	9.57	-	-
Mr. Andrew Khushlani	9.57	-	-
Mr. Rasik Mittal	0.75	-	-
Issue of Equity Shares under ESOP			
Mr. Rasik Mittal	0.08	-	-
Sitting Fees			
Mr. Amer Jaleel	0.20	0.20	0.05
Related Party Outstanding balances			
Outstanding Loan			
Mr. Kamal Khushlani	-	0.31	0.31
Mrs. Poonam Khushlani	-	0.30	0.30
Interest accrued			
Mr. Kamal Khushlani	-	0.11	0.06
Mrs. Poonam Khushlani	-	0.11	0.06
Remuneration Payable			
Mr. Kamal Khushlani	12.25	8.93	0.14
Mrs. Poonam Khushlani	0.19	1.47	0.30
Ms. Sonakshi Khushlani	0.13	0.34	0.09
Mr. Andrew Khushlani	0.10	0.03	0.04
Mr. Rasik Mittal	0.71	1.22	0.62
Mr. Sanjay Kumar Mutha	-	-	-
Sitting Fees			
Mr. Amer Jaleel	0.05	0.05	0.05
Transactions and outstanding balances eliminated in the Restated Consolidated Financial Information			

In the Books of Credo Brands Marketing Limited			
Investment in Equity Share Capital			
KAPS Mercantile Private Limited	21.30	-	-
Security Deposit given/ (received back)			
KAPS Mercantile Private Limited	(20.00)	-	-
In the Books of KAPS Mercantile Private Limited			
Equity Share Capital			
Credo Brands Marketing Limited	21.30	-	-
Security Deposit (Received) / given back			
Credo Brands Marketing Limited	20.00	-	-
Outstanding balances			
In the Books of Credo Brands Marketing Limited			
Equity Share Capital			
KAPS Mercantile Private Limited	21.40	-	-
Security Deposit given			
KAPS Mercantile Private Limited	-	20.00	20.00
In the Books of KAPS Mercantile Private Limited			
Equity Share Capital			
Credo Brands Marketing Limited	21.40	-	-
Security Deposit Received			
Credo Brands Marketing Limited	-	20.00	20.00
Compensation of KMP			
Short-term benefits	53.74	49.44	17.92

For details of the related party transactions, see "*Restated Consolidated Financial Information - Note 39 - Related Party Transactions and Balances*" on page 246.

Details of all financing arrangements whereby our Promoters, members of our Promoter Group, the directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red	Our Promoters, members of our Promoter Group, our Directors and their relatives (as defined under Companies Act, 2013) have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Herring Prospectus	

Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares of ₹ 2 each acquired *^	Weighted average price per Equity Share of ₹ 2 each (in ₹)*^
Promoters#		
Kamal Khushlani	16,695,315	Nil
Poonam Khushlani	13,623,285	Nil
Promoter Group members #		
Sonakshi Khushlani	1,435,500	Nil
Andrew Khushlani	1,435,500	Nil
Other Selling Shareholders		
Concept Communication Limited	1,524,195	Nil
Bela Properties Private Limited	3,773,445	Nil
Jay Milan Mehta	1,477,665	Nil
Sagar Milan Mehta	1,477,665	Nil

**As certified by Dileep & Prithvi, Chartered Accountants by way of their certificate dated July 13, 2023.*

^ Weighted average price has been calculated after considering all bonus issuances by the Company and split of face value of equity shares pursuant to a resolution dated April 7, 2023 passed by the Board of Directors of the Company and dated April 18, 2023 by the Shareholders of the Company. While determining the Weighted Average Price, only cost of acquisition made in last one year is considered. Sale transactions, if any, have not been considered. As in last one year apart from bonus issue and split of equity shares, no Equity Shares were acquired, therefore cost of acquisition is Nil.

#Also acting as the Selling Shareholders

Details of price at which specified securities were acquired by the Promoters, members of the Promoter Group, Selling Shareholders, shareholders entitled with right to nominate directors or any other rights in the last three years preceding the date of this Draft Red Herring Prospectus

The price at which Equity Shares were acquired by our Promoters, members of the Promoter Group, the Selling Shareholders and Shareholders entitled with right to nominate directors or any other rights, as applicable, in the last three years is set forth below:

Name of acquirer/equity shareholders	Date of Acquisition / Allotment of equity shares	Face Value (₹)	Number of equity shares	Nature of consideration	Acquisition price per equity share *
Promoters#					
Kamal Khushlani	April 7, 2023	10	3,339,063	Bonus issue	Nil
Poonam Khushlani	April 7, 2023	10	2,724,657	Bonus issue	Nil
Promoter Group members#					
Sonakshi Khushlani	April 7, 2023	10	287,100	Bonus issue	Nil
Andrew Khushlani	April 7, 2023	10	287,100	Bonus issue	Nil
Other Selling Shareholders					
Concept Communication Ltd	April 7, 2023	10	304,839	Bonus issue	Nil
Bela Properties Private Limited	April 7, 2023	10	754,689	Bonus issue	Nil
Jay Milan Mehta	April 7, 2023	10	295,533	Bonus issue	Nil
Sagar Milan Mehta	April 7, 2023	10	295,533	Bonus issue	Nil

**As certified by Dileep & Prithvi, Chartered Accountants by way of their certificate dated July 13, 2023.*

 # Also acting as selling shareholders

Further, we have no shareholders entitled with the right to nominate directors to our Board or entitled with any other rights.

Average cost of acquisition of Equity Shares of our Promoters and the Selling Shareholders

The average cost of acquisition of Equity Shares held by our Promoters and Selling Shareholders as on the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share of ₹ 2 each (in ₹)*#
Promoters ^		
Kamal Khushlani	22,260,420	8.48
Poonam Khushlani	18,164,380	0.16

Promoter Group members ^		
Sonakshi Khushlani	1,914,000	Nil
Andrew Khushlani	1,914,000	Nil
Other Selling Shareholders		
Concept Communication Limited	2,032,260	7.75
Bela Properties Private Limited	5,031,260	46.99
Jay Milan Mehta	1,970,220	5.71
Sagar Milan Mehta	1,970,220	5.71

**As certified by Dileep & Prithvi, Chartered Accountants by way of their certificate dated July 13, 2023*

#Average cost of acquisition has been calculated after considering equity shares received through gift, all bonus issuances by the Company and split of face value of equity shares pursuant to a Board resolution dated April 7, 2023 and Shareholders' resolution dated April 18, 2023. Sale transactions, if any, have not been considered.

^Also acting as the Selling Shareholders

The weighted average cost of acquisition of all shares transacted in the last eighteen months, one year and three years preceding the date of this Draft Red Herring Prospectus

The weighted average cost of acquisition of all shares transacted in the last eighteen months, one year and three years preceding the date of this Draft Red Herring Prospectus is as follows:

Period	**Weighted average cost of acquisition per equity share (in ₹)*@**	**Upper end of the price band (₹[●]) is 'X' times the weighted average cost of acquisition#**	**Range of acquisition price: Lowest price – Highest price (in ₹)*@**
Last eighteen months	0.005	[●]	0.50-0.50
Last one year	0.005	[●]	0.50-0.50
Last three years	0.005	[●]	0.50-0.50

**As certified by Dileep & Prithvi, Chartered Accountants by way of their certificate dated July 13, 2023.*

@ Weighted average cost of acquisition has been calculated after considering all bonus issuances by the Company and split of face value of equity shares pursuant to a resolution dated April 7, 2023 passed by the Board of Directors of the Company and dated April 18, 2023 by the Shareholders of the Company.

 # To be updated in the Prospectus.

Issuance of Equity Shares in the last one year for consideration other than cash

Except for the Equity Shares issued under the bonus issuance, our Company has not issued any Equity Shares in the last one year from the date of this Draft Red Herring Prospectus, for consideration other than cash. For details, see "*Capital Structure – History of Equity Share capital*" on page 76.

Any split/consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to a Board resolution dated April 7, 2023 and Shareholders' resolution dated April 18, 2023**,** each equity share of our Company of face value ₹10/- was sub divided into 5 equity shares of ₹2/- each and accordingly the authorized share capital of the Company of ₹140,000,000/- (Rupees one hundred and forty million only) divided into 14,000,000 (fourteen million) equity shares of ₹10/- (Rupees ten only) each is now ₹140,000,000 (Rupees one hundred and forty million only) divided into 70,000,000 (seventy million) equity shares ₹ 2/- (Rupees two only) each and the issued, subscribed and paid-up share capital of the Company of ₹128,603,760/- (Rupees one hundred twenty eight million six hundred three thousand seven hundred and sixty only) divided into 12,860,376 (Twelve million eight hundred sixty thousand and three hundred seventy six) equity shares of ₹10/- (Rupees ten only) each is now ₹ 128,603,760/- (Rupees one hundred twenty eight million six hundred three thousand seven hundred and sixty only) divided into 64,301,880 (Sixty four million three hundred one and eight hundred eighty) equity shares of ₹ 2/- (Rupees two only) each.

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

Our Company has not applied for or received any exemption from complying with any provisions of securities laws by SEBI.

Pre-IPO Placement

Not applicable

SECTION III: RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares of the Company.

The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and on pages 114, 146, 196 and 260, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ 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. For further information, see "Forward-Looking Statements" on page 15.

Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 196. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" or "our" refers to Credo Brands Marketing Limited on a consolidated basis and references to "our Company" or "the Company", refer to Credo Brands Marketing Limited on a standalone basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Industry Report on Men's Western Apparel in India" dated July 11, 2023 (the "**Technopak Report**"), prepared and issued by Technopak Advisors Private Limited appointed on January 12, 2023 and exclusively commissioned by and paid for by us in connection with the Offer. A copy of the Technopak Report is available on the website of our Company at https://www.credobrands.in/investors. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 13.*

Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the twelve months ended March 31 of that year.

INTERNAL RISK FACTORS

<u>Risks relating to our business</u>

1. ***Our business is primarily concentrated on the sale of men's casual western wear and is vulnerable to variations in demand and changes in consumer preferences which could have an adverse effect on our business, results of operations and financial condition.***

   Our business is currently dependent primarily on sale of garments and accessories catering to the casual western wear market for men. Our revenue from operations in the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, amounting to ₹4,981.82 million, ₹3,411.72 million and ₹2,448.26 million, respectively.

   Since we specifically cater to the market of men's casual western wear, which is a segment of the vast apparel market, if our customers are not satisfied with our products, or there is lack of customer demand for our products, it may adversely affect our business, financial conditions, and results of operations. In particular, our business is impacted by rapidly changing customer preferences. Our results of operations are dependent on our ability to attract customers by anticipating and responding to customer preferences and demand while consistently modifying our existing products in line with such changes and introducing new products from time to time.

Our ability to foresee and forecast customer demands and trends is crucial to the success of our business. Any miscalculation in our forecast could lead to excess stock of our products that we may not be able to sell in a timely manner, or at all. On the other hand, understocking our inventory may interfere with our ability to fulfil customer demands during an ongoing season. In order for us to properly meet our customer demands and keep our stores stocked with a wide variety of products, we need to keep our inventory at an optimum level. Based on the predicted customer demands, requirements, and inventory needs for the upcoming season, we project our sales and plan our inventory levels accordingly. To keep our inventory at optimum levels, we hold our inventory in our warehouse prior to a forthcoming season. In case we are unable to anticipate and gauge our customer preferences, or are unable to adapt to such changes in a timely manner, or at all, we may lose existing customers or fail to attract new customers, which may render our inventory obsolete and may subject our business to pricing pressure causing us to sell our inventory at a discounted price, which may have an adverse effect on our business, results of operations and cash flows.

A decline in demand for our products or a misjudgement on our part regarding the nature of designs in demand could lead to an increased market acceptance of our competitors' products or may result in the substitution of our products in the market, which could lead to us having lower sales and excess inventory, which may necessitate us to sell this excess inventory at cost price / lower than cost price. This may hinder our ability to support new growth platforms and cause a decline in our revenues and profits, which would adversely affect our business, results of operations, financial conditions, and cash flows.

We utilize our technology to keep a record of our stock and achieve a balance between availability of the stock to avoid overstocking and understocking of our products. We use data to build predictability into projections based on an analysis of current sales and anecdotal feedback mechanisms. We use technologies such as ERP Ginesys and QlikView for our data analytics and these methods of analysis aid us in keeping our inventory stock in alignment with target sales and display requirements. We identify and optimise winners in a range of products through detailed analysis of sales at the style and category level on a quarterly and seasonal basis. This process gradually allows us to manage seasonal overstocking and understocking in a more efficient manner by weeding out non-performing styles and maximising performing styles while constantly evaluating all styles and category-wise products whilst keeping up with the ever-changing fashion trends.

In the event of unforeseen circumstances, such as COVID-19 or natural disasters, we manage our inventory through a combination of ringfencing meaningful inventory, timely discounts on seasonal products, carrying forward some inventory to the next season and such other measures that our long-standing beneficial relationships with our manufacturing partners allow us.

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Inventories (in ₹ million)	1,134.03	657.38	586.09
Inventory turnover days	154	154	173
Inventory (as % of our current assets)	39.42%	26.11%	27.53%

From March 31, 2021 to March 31, 2023, our finished goods days ranged between 142 - 157 days. For further details, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 260.

We cannot assure you that we will be able to maintain an optimum inventory level in the future. We risk having surplus inventory levels or a lack of inventory available for sale, if we are unable to predict customer demands accurately. Our ability to satisfy customer demands could be hampered if we understock our inventory. On the contrary, if we overstock our inventory, we run the risk of increase in capital requirements, additional financing, inventory write-offs, sale of excess inventory at discounted prices that would adversely affect our margins due to the carrying cost of inventory. Any unsold inventory may have to be disposed, and/or sold at cost price or below cost price, or both, which could result in losses. We cannot guarantee that we will be able to sell excess stock in a timely manner, or at all, which may negatively impact our business, results of operations, cash flows and financial condition. Alternatively, in case we suffer from inventory shortages at our stores, it could result in delayed shipments to customers, negative customer experiences, lesser brand loyalty, lesser sales, and damage to our brand reputation, any of which may have an adverse effect on our results of operations, financial condition, and cash flows.

Our products are designed to cater to the current trends, and we cannot assure you that we will be able to sell surplus stock in a timely manner, or at all. Our inability to accurately forecast demand for our products and manage our inventory may therefore have an adverse effect on our business, results of operations and cash flows.

The Indian retail apparel market is sensitive to the changes in economy and purchases by the customers decreases during recession periods. There are many factors out of our control, including interest rates, market volatility across the globe, inflation, tax rates, government policies and unemployment rates which affect consumer confidence and spending pattern. The political environment and instability across nations may affect consumer confidence and reduce spending, which could affect our growth and profitability.

2. ***All our products are sold under a single brand, 'Mufti'. Any inability to effectively market our products, or any deterioration in public perception of our brand, could affect consumer footfall and consequently adversely impact our business, financial condition, cash flows and results of operations.***

Brand awareness is essential to our continued growth and financial success, and our operations are influenced by our brand marketing and advertising initiatives. The *'Mufti'* brand is integral to our business strategy and our ability to attract and engage customers. As a result, our success depends on our ability to maintain and enhance the value and reputation of the *'Mufti'* brand. Maintaining, promoting, and positioning our brand will depend largely on the success of our design and marketing efforts, including advertising and customer campaigns, as well as our product innovation, product quality, and sustainability initiatives. We cannot assure you that we will be able to protect our intellectual property rights in relation to our brand, for further details, see *"Internal Risk Factors - We may be unable to adequately obtain, maintain, protect, and enforce our intellectual property rights including 'Mufti', and inability to protect or use our intellectual property rights may adversely affect our reputation, business and operations."* on page 33. Our advertisement and sales promotion expenses in the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, is provided in the table below:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Advertisement and sales promotion expenses (in ₹ million)	173.64	22.31	15.02
% of Revenue from operations	3.49%	0.65%	0.61%

However, these marketing campaigns and advertisements may not be effective to the extent planned and we may fail to attract new customers and retain existing customers. Further, we may fail to penetrate new target markets if our marketing and advertising initiatives are not successful or not tailored in a manner to attract the customers in such target markets or if our competitor brands advertise and conduct marketing campaigns which are more effective than ours. In such cases, our brand awareness and position in the market could be adversely affected and have a direct impact on our business, results of operations and financial condition.

We market and sell our products directly to customers through our EBOs and on online channels including our own website. We also market and sell our products through LFSs, MBOs and various e-commerce marketplaces. For further details, see "*Our Business – Competitive Strengths – Multi-channel pan-India distribution network*" on page 149. We intend to continue to enhance the brand recall of our apparel through expansion of our footprint of our retail stores as well as utilizing digital and social media marketing campaigns, advertisements, billboards, and live events to showcase our product images and information. However, there are factors, beyond our control, that are essential in maintaining and enhancing our brand recall, including improving customer satisfaction, increasing the popularity and awareness of the brand through brand building initiatives with respect to the new products we launch or in geographic areas where we intend to expand our operations. Maintaining and enhancing our brand may require us to make substantial investments and incur expenses in many areas such as product designing, marketing, advertising, outlet operations and e-commerce. We further invest in conducting brand awareness campaigns through social media platforms and physical outdoor platforms such as cinemas, billboards, events and print media.

Negative reviews from customers in relation to the quality of our products, dissatisfaction amongst our suppliers, inability to deliver quality products at competitive prices and adverse accidents/incidents at our stores and/or warehouses could adversely affect the public perception of our brand which consequently would adversely impact our business and results of operations. There have also been instances in the past where we have received negative reviews from our customers due to dissatisfaction in the quality of our products, customer service, non-availability of specific products at certain stores, dissatisfaction with the discounts offered, delay in delivery and technical issues in tracking orders on our website. We periodically conduct multiple levels of quality checks, and our personnel are stationed at facilities to inspect fabrics and garments of our suppliers to enable us to maintain the desired quality of products. In order to address such grievances, we have a team that works on our Company's online reputation management and resolves various grievances and reviews shared by our customers. The online reputation management team responds to the grievances shared by the customers. There is no assurance that such instances will not occur in the future.

3. ***Our inability to grow the business across emerging markets in India and effectively manage or expand our retail network may adversely impact our business, results of operations and financial condition.***

Over the last few years, we have expanded our operations and established EBOs, and further expanded our sales through LFSs and MBOs, with our reach extending from major metros to Tier 4 cities and have also increased our presence on online channels and experienced meaningful growth. In order to ensure that such growth continues, we need to efficiently manage any challenges, complexities faced across all aspects of our business including efficiently managing the existing operations, expansion of our current network of EBOs, increase in employees and introduction of new products to grow our business. The continued growth of our business requires significant time and attention from our management and efficient implementation of systems, processes, and internal controls in place. Inability on our part to do so may adversely affect our business operations, cash flows, financial conditions, and results of operations.

In line with our expansion plans, following are the details of the number of our EBOs, MBOs and LFSs through which we sell our products, as on May 31, 2023 and the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021, respectively.

Particulars	May 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
EBOs	379	373	321	306
LFSs	89	86	62	81
MBOs	1,305	1,305	1,258	1,194
Total Touch Points	**1,773**	**1,764**	**1,641**	**1,581**

As per our business strategy, we plan to continue to increase the number of our EBOs, LFSs and MBOs at which our products are available, in line with the future growth prospects of our business. For details, refer to '*Our Business – Competitive Strategies – Expand our domestic store network in existing and new cities*' on page 152. However, as the availability of prime retail locations is limited, we cannot assure you that we will be able to identify and secure premises on commercially acceptable terms, or at all. Any inability on our part to secure alternate attractive locations at acceptable terms, or at all, will adversely affect our business, growth strategies and results of operations.

As of May 31, 2023, we have a pan-India presence through 1,773 touchpoints, with our reach extending from major metros to Tier 3 cities. Our EBOs are located nationwide across high streets, malls, airports and residential market areas. We also have an online presence which is rapidly growing wherein our customers can shop through our website, *www.muftijeans.in*, as well as through various e-commerce marketplaces. For details, see *"Our Business – Competitive Strategies – Expand our domestic store network in existing and new cities"* on page 152

Developing and introducing new stores involves substantial risks, including the following:

(a) Inability to identify or unavailability of suitable sites on favourable lease terms or to compete effectively for these suitable sites;

(b) Unavailability of financing on reasonable terms;

(c) Challenges in relation to fit-outs/renovations, lack of suitable contractors, delays and costs exceeding our budget;

(d) Difficulties in relation to implementation of our systems, procedures and control measures required at various stores;

(e) Inability to obtain all necessary governmental and local authority permits, approvals and other requisite licenses, from time to time;

(f) Underperformance of newly launches stores;

(g) Dynamic consumer preferences and success of our new stores;

(h) Competition in current and future markets;

(i) Our degree of penetration in existing markets;

(j) Sales and margin levels at existing stores;

(k) May not be profitable immediately upon its opening or may take time to break even;

(l) Our ability to hire and retain qualified store crews;

(m) Changes in governmental rules, regulations and interpretations; and

(n) Changes in general economy and business conditions.

We intend to increase penetration into towns and cities in which we already operate as well as additional regions across India, but we cannot assure you that we will be able to do so. Infrastructural and logistical challenges in these regions may prevent us from expanding our presence or increasing the penetration of our products. Further, customers in new markets or regions may be price-conscious, rendering us unable to compete effectively with our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

4. ***While we design our products in-house, we rely on outsourcing the manufacturing of finished products to third-party manufacturing partners, without exclusivity arrangements. Any inability to obtain sufficient quantities of apparel of the requisite quality in a timely manner and at acceptable prices, or a slowdown, shutdown or disruption in such third-party manufacturing partners' operations and performance, could adversely affect our business, cash flows, results of operations and financial condition.***

We are a design and retail focused Company wherein the designs of our products are created by our in-house design team and the manufacturing of the finished product is carried out by third-party manufacturing partners. These manufacturing partners perform different stages of the manufacturing process, including dyeing, printing, cutting, stitching, and finishing, with the final products sold by us under our brand. We rely on our manufacturing partners to provide us with an uninterrupted supply of our products. However, we cannot assure you that they will do so in a timely manner, or at all. While we have long-term relationships with certain manufacturing partners, they may decide not to accept our future orders on the same or on terms favourable to us, or at all. We may face the risk of our competitors offering our manufacturing partners better terms, which may cause them to cater to our competitors alongside, or even instead of us. They may discontinue their work on short intimation and our procurement process may be stalled or hindered. Conversely, due to increased customer demand for our products, we may need to obtain more products from more manufacturing partners, and any inability to do so may render us unable to execute our growth strategy. Between April 1, 2020 to March 31, 2022, we have not faced any instances of failures by our manufacturing partners to meet demand in the ordinary course of business. In the past, there has been no material impact on the business or results of operations of the Company due to such occurrences except to the extent of impact induced due to COVID-19 related disruptions. For COVID-19 related impact, see *"Internal Risk Factors - The COVID-19 pandemic has had an adverse effect, and any future pandemic may have adverse effects on our business, results of operations, financial condition and cash flows"* on page 42.

The manufacturing facilities of our manufacturing partners may be subject to operating risks, such as performance below expected levels of efficiency, excessive wastage of raw materials, delays in production of apparel, decrease in quality of products made, labour disputes, natural disasters, industrial accidents, interruptions in power supply and statutory and regulatory restrictions, any non-compliance with the applicable laws may result in a shutdown of their facilities. Such operating risks could result in the delay or non-availability of the delivery of our products. Lost sales arising from such disruptions may not be recoverable under our existing insurance policies, for further details see *"- Internal Risk Factors - Our insurance policies may not be adequate or sufficient to cover our losses if we incur huge losses or liabilities that significantly exceed our insurance coverage"* on page 38. Additionally, prolonged business disruptions could result in a loss of customers. If we are unable to make available our products in a prompt manner across our stores across India, our business, cash flows, results of operations and financial condition may be adversely affected.

Additionally, we regularly supervise the manufacturing operations at the facilities of our manufacturing partners through our personnel who are either stationed at such facilities or periodically visit such facilities to inspect their production process as part of our quality control process and conduct inspections of products and quality checks on the raw materials provided by the suppliers and the products manufactured by the manufacturing partners, in a timely manner, enabling the production to be carried out efficiently, maintain the desired quality of products and optimise our inventory levels due to timely deliveries from the manufacturing partners. We cannot ensure that the products they supply us will be of satisfactory quality and adhere to our quality control policies and guidelines. For further details, see *"Internal Risk Factors - Failure in complying with quality control processes may have an adverse impact on our business, results of operations and financial conditions"* on page 32. If our manufacturing partners perform unsatisfactorily, substantially reduce their volume of supply, substantially increase their prices, or terminate their business relationship with us, the cost and time required to manufacture our products would increase. We may also need to replace our manufacturing partners or take other remedial actions. Any deficiency in the quality of products that our manufacturing partners supply to us could expose us to product liability or damage our reputation and reduce demand for our products and may adversely affect our business, cash flows, financial condition, and results of operations.

As we do not have direct operational control over our manufacturing partners, if any of them are involved in unauthorized production using our designs or our brand, or other misappropriation of trade secrets, our reputation, business and result of operations may be adversely affected.

5. ***Our business is subject to seasonality. Lower sales and revenue may adversely affect our business, financial condition, and results of operations.***

Few of our products, such as jackets and sweaters are specifically made for the winter season causing our sales for such products to increase due to the seasonal customer demand during such period. These products may not have the same level of customer demand during the other seasons of the year, at which point of time, other kinds of products may be in demand. Inability to accurately predict demand for different kinds of products may cause inventory build-up for our manufacturing partners or lead to inadequate supplies of products in demand, each in turn leading to lower sales of our products and decrease in revenue from operations. Therefore, our sales are impacted by seasonal variations, which may cause our revenues to vary significantly between different quarters in a Financial Year. Our results of operations and cash flows across quarters in a Financial Year may not be comparable and such comparisons may not be indicative of our annual financial results or our results in future quarters.

6. ***We may not be able to procure sufficient quantity or quality of products from third party raw material suppliers in a timely manner and at an acceptable price and this may adversely affect the business, results of operations and financial conditions.***

We are a retail focused Company wherein our product designs are created by our in-house design team and the manufacturing of the final products is outsourced to third-party manufacturing partners. We have a centralized ordering system for our raw materials wherein we assist our manufacturing partners to procure raw materials comprising of fabrics and accessories from third-party raw material suppliers, for the purpose of manufacturing our products. These third-party raw material suppliers are located in various states across India with whom we negotiate terms with, and the raw materials, including trims (such as fabric, buttons, labels, tags, zippers, etc.), are procured by us or the manufacturing partners on our behalf. Our inventory levels may be hampered in case such third-party raw material supplier delays or fails to provide the raw materials to our manufacturing partners for the purpose of manufacturing apparel.

The performance of our Company largely depends on our ability to arrange for such third party raw material suppliers who would provide the third-party manufacturing partners with raw materials to manufacture our products in sufficient quantities at competitive prices and of desired quality. We cannot be assured that the suppliers will continuously provide our manufacturing partners with raw materials at adequate pricing at which we are currently obtaining as per our agreed upon terms. There is a possibility that any of our third-party raw material suppliers may discontinue their relationship with us which would adversely impact our business operations.

As a regular practice, in order to maintain flexibility in our procurement options, we do not have any long term contracts with our third-party raw material suppliers.

Further, our centralised order system allows us to negotiate bulk discounted rates for raw materials for supply to our manufacturing partners, but we do not have terms of modern trade with our third-party raw material suppliers due to which, we may not have access to additional discounts and special schemes offered by such third-party raw material suppliers. If we are unable to avail such discounted rates for raw materials in future, the prices for our products may increase or our margins from our products may decrease, leading to lower profitability or impairment of results of operations.

Further, we also cannot assure you that we will be able to assist our manufacturing partners in procuring the raw material at prices acceptable to us, or at all. If the price of raw materials increases, our product costs will also correspondingly increase, and we cannot assure you that we will be able to continue to sell our products at existing prices. We may have to increase the price of our products to offset such costs incurred in procuring raw materials.

If the scale of our business operations expands, or we enter new markets, we may need to assist our manufacturing partners with new third party raw material suppliers with whom we may be unfamiliar. Our inability to identify and retain assist our manufacturing partners to identify new third-party raw material suppliers may adversely affect our business, cash flows, financial condition and results of operations.

The quality and quantity of raw materials we procure and the price at which we procure our raw materials may fluctuate from time to time. Further, the price of raw materials depends on a number of factors beyond our control, including quality and availability of supply, economic factors, seasonal factors, environmental factors, and changes in statutory regulations, including those in relation to textile industry in general. We cannot assure you that we will be able to assist our manufacturing partners to procure the requisite amount of raw material at favourable prices or at all. If the market demand for raw materials increases, our third-party raw material suppliers may charge our manufacturing partners higher prices which will impact the overall price at which we receive the products from our manufacturing partner. Further, our third-party raw material suppliers may fail to provide our manufacturing partners with sufficient quantity of raw materials with requisite quality required by our manufacturing partners to manufacture our products. Such failure may result in disruptions of the manufacturing operations of our manufacturing partners and in turn may adversely affect our supply and distribution of products. We may experience reductions or interruptions in supply of our raw materials which may delay the manufacturing of our products. Although such instances have not occurred in the past, we may be unable to procure sufficient quantities or desired quality of raw materials from the suppliers or find alternative sources for procuring raw materials in the future if such situation arises, which may lead to slowdown or shutdown of our operations.

7. ***We are dependent on third party manufacturing partners for our finished products. We may not be able to procure sufficient quantity or quality of finished goods from our manufacturing partners in a timely manner and at an acceptable price and this may adversely affect the business, results of operations and financial conditions.***

We outsource all of our manufacturing operations to third party manufacturing partners, except for designing of our products. As of March 31, 2023, we had a network of over 45 manufacturing partners for procurement of finished products. If our existing manufacturing partners, temporarily or permanently, are unable to provide us with the finished products as per our requirements, or at all, it may adversely affect our business operations. For the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, our purchases from top five manufacturing partners amounted to ₹ 1,117.14 million, ₹ 704.57 million and ₹565.44 million and represented 42.58%, 45.16% and 46.68% of our total cost of purchase of goods, respectively.

While we maintain oversight over each stage of the manufacturing process, including tracking timelines for different stages of manufacturing we do not own these manufacturing operations and our performance is dependent on our ability to source sufficient quality and quantity of finished goods from our manufacturing partners. Further, we plan inventories of our products based on estimated customer demand ahead of the year. In the event of disruptions in the supplies of finished products from our manufacturing partners, we may not be able to meet inventory requirements or be able to place appropriate products at desired locations, thereby leading to reduced sales and impaired results of operations.

We have long standing relationships with our manufacturing partners, pursuant to which we have arrangements allowing for the termination of supply / procurement by either party in the event of certain specific eventualities, such as failure of delivery of products or in case of default by either party. Our inventories and sales predictions are based on our ability to receive supplies of finished goods in a timely manner. While we place orders with our third party manufacturing partners at specified intervals during the year, before each season, there can be no assurance that our manufacturing partners will be able to deliver the contracted quantities of finished goods in a timely manner. In the event of termination of our arrangement with our manufacturing partners, there can be no assurance that we would be able to renew our arrangements in a timely manner or at commercially acceptable terms or be able to find alternate manufacturing partners, who would be able to meet our qualitative and quantitative requirements. There is a possibility that any of our manufacturing partners may discontinue their relationship with us which would adversely impact our business operations.

Further, operations of our manufacturing partners are subject to failures and risks associated with manufacturing facilities in general and garment manufacturers in specific, including risks associated with machinery breakdown, availability of raw materials, power, fuel, skilled labour, economic conditions, seasonal factors, environmental factors, and changes in statutory regulations, including those in relation to textile industry which may adversely affect our manufacturing partners as they may not efficiently manufacture our products and fulfil our orders at the price agreed upon. The occurrence of any of these, may lead to the breakdown in operations of our manufacturing partners, in turn affecting our ability to accurately predict or manage our inventories thereby impacting our sales, including during periods of increased customer demand. Such failure may result in disruptions of the manufacturing operations of our manufacturing partners and in turn may adversely affect our supply and distribution of products. Although such instances have not occurred in the past, we may be unable to procure contracted quantities from manufacturing partners in a timely manner or at all.

In case of natural calamities, improper maintenance or damage to finished products and improper storage before delivery to our warehouse, lack of infrastructure, delay in transportation or failure of delivery of finished goods by our manufacturing partners, it may adversely affect our business operations, financial conditions, and results of operations. Although there have not been any material instances in the past of delays or failure in receipt of finished goods from our manufacturing partners, an inability to obtain finished products of the requisite quality from our manufacturing partners may adversely affect our sales and reputation of our brand.

Our products are also subject to quality requirements and any deterioration of desired quality of finished goods received from our manufacturing partners, may lead to significant delays in our ability to make our products available at stores in a timely manner, especially during periods of enhanced customer demand such as during festival seasons.

If the scale of our business operations expands, or we enter new markets, we may need to engage new manufacturing partners and assist them with new suppliers with whom we may be unfamiliar. Our inability to identify and retain manufacturing partners could adversely affect our business, cash flows, financial condition, and results of operations.

8. ***Our business depends on continual purchases of our products and timely payments by our franchise stores, both in short and long term. Any delay or failure in sale of products or payments at our franchise stores or any disputes with franchisees may adversely impact our business, cash flows and results of operations.***

As on May 31, 2023, we have 379 EBOs, and sell through 89 LFSs and 1,305 MBOs. Out of the total number of EBOs, as on May 31, 2023, 32.19 % are COCO, 42.22 % are COFO and 25.59 % are FOFO. In the franchisee model, we despatch our finished goods to our franchisee owned EBOs, who then sell the products to end-consumers. The details in relation to the revenue generated from our EBOs Counter Sales for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 are mentioned in the table below:

EBO Counter Sales	**March 31, 2023**		**March 31, 2022**		**March 31, 2021**	
	Amount (in ₹ million)	**% of Total EBOs Counter Sales**	**Amount (in ₹ million)**	**% of Total EBOs Counter Sales**	**Amount (in ₹ million)**	**% of Total EBOs Counter Sales**
COCO EBOs	950.09	28.50%	519.31	23.70%	433.91	24.60%

EBO Counter Sales	March 31, 2023		March 31, 2022		March 31, 2021	
	Amount (in ₹ million)	% of Total EBOs Counter Sales	Amount (in ₹ million)	% of Total EBOs Counter Sales	Amount (in ₹ million)	% of Total EBOs Counter Sales
COFO EBOs	1,567.67	47.00%	1,075.16	49.05%	887.95	50.30%
FOFO EBOs	815.01	24.50%	597.37	27.25%	442.40	25.10%
Total	**3,332.77**	**100.00%**	**2,191.84**	**100.00%**	**1,764.26**	**100.00%**

We depend on our franchisee owned EBOs being able to continue selling our products in the requisite quantities, at the stipulated prices and in a timely manner. Macroeconomic conditions, which are beyond our control, could also result in financial difficulties for our franchisee and retailing customers, including limited access to the credit markets, insolvency or bankruptcy. Limited consumer demand may also impact the cash flows and ability to purchase products from us. See *"Internal Risk Factors - Our business is primarily concentrated on the sale of men's casual western wear and is vulnerable to variations in demand and changes in consumer preferences which could have an adverse effect on our business, results of operations and financial condition."* on page 23. Such conditions could cause our counterparties to delay payment, request modifications to their payment terms, or default on their payment obligations to us, all of which could increase our trade receivables and/or write-offs of trade receivables, as well as our cash flows. In the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, our trade receivables that were written off amounted to ₹0.23 million, ₹NIL and ₹NIL, and amounted to 0.02%, NIL% and NIL% of our total revenue from operations.

Between April 1, 2020 to May 31, 2023, our Company has closed 16 stores due to occurrence of default in payment by our franchisees which had an adverse impact on the Company's business or results of operations. We cannot assure that such instances may not occur in the future.

9. ***We operate in highly competitive markets in each of our product segments in both offline and online channels and an inability to compete effectively may adversely affect our business, results of operations and financial condition.***

We face competition from various international, national, regional and niche brands and unorganized players in the men's casual western wear industry who are present in our product segments. We believe that the men's western wear industry is a highly unorganized market, and we compete with several branded and non-branded players and local retailers' brands. Our main competitors, in the similar price brackets, are brands such as Jack & Jones, Levi's, Pepe Jeans U.S. Polo Assn. and Spykar *(Source: Technopak Report)*.

Competition amongst other brands in the industry may result in pricing pressures, reduced profit margins, less market share, or a failure to grow or maintain our market share, which may substantially harm our business and results of operations. Many of our competitors operating in certain of our product segments may have significant competitive advantages in that particular product segment, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of third-party manufacturing partners and suppliers, lower cost of raw materials and sale of finished products at lower prices, greater brand recognition, and greater financial, research and development, store development, marketing, distribution, and other resources than we have. In the future, several brands may come together and develop arrangements to compete against us and acquire greater resources, market and geographic reach and customer database.

In the recent years, India has witnessed growth in e-commerce platforms and the market penetration of online retail platforms in India may increase in the future. We also face competition from various online retailers. Our online channels comprise of our website *www.muftijeans.in* and various leading third-party e-commerce marketplaces.

While we believe that online retailers provide us with an opportunity to increase the visibility of our brands and to improve our supply chain, they may continue to gain market share and thus increase their negotiating power. We have entered into agreements with third-party online platforms for sale of our products. However, we cannot assure you that, in the future, we will be able to negotiate agreements with such third-party online platforms on terms favourable to us or at all. Further, our competitors may be able to negotiate better or more favourable terms with such third-party online platforms. An inability on our part to maintain or further develop online presence or further enter into agreements with our existing and new third-party online platforms on terms favourable to us may have an adverse effect on the pricing of our products, our sales and consequently our business, cash flows, financial condition and results of operations.

Therefore, we will not be able to assure you that we will be able to compete successfully in the future against our existing or potential competitors in the market, or that our business and results of operations will not be adversely affected by increased competition in the offline and online channels. Our competitors may significantly increase their advertising expenses to promote their brands and products, which may require us to similarly increase our advertising, publicity and sales promotion expenses and engage in effective pricing strategies, which may have an adverse effect on our business and results of operations. Also see "*Industry Overview*" on page 114.

10. ***Pricing pressure from our competitors may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sale, gross margin and profitability, which may materially and adversely affect our business, cash flows, results of operations and financial condition.***

We arrive at a pricing for each of our products through a detailed mechanism that takes into consideration, a range of factors, including costs incurred in connection with procurement, exclusive availability of the product and other ancillary expenses. While we determine the maximum retail price of our products, which are being sold through various e-commerce platforms and MBOs, products may be sold at a different price by these e-commerce platforms and MBOs, which may offer additional discounts to their customer base on certain occasions such as festivals, annual sales, etc. We strive to ensure that our products remain in line with current market trends yet affordable for our customers. We exclusively manage and regulate the prices at which our products are sold across our EBOs, LFSs and MBOs and the online channel. Competitive pricing by our competitors may manifest in various forms, including, among others, through our competitors lowering their prices for similar products. This may lead to a decrease in our revenues and profits. Moreover, if our franchisees fail to follow our retail price stipulations, our brand value and the public perception of our brand positioning could be negatively affected. We may seek to reduce the price of our raw materials and production through negotiations with our manufacturing partners, respectively, and streamline product designs to offset the impact of pricing pressure. For further details, see *"Internal Risk Factors – We operate in highly competitive markets in each of our product segments in both offline and online channels and an inability to compete effectively may adversely affect our business, results of operations and financial condition"* on page 30. We cannot assure you that we will be able to avoid future pricing pressure from our competitors or offset the impact of any price reductions through continued technological improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, or other cost reductions through other productivity initiatives. If we were to face competitive pricing from our competitors, and the aforementioned measures or other steps we take fail to maintain or increase our margins and revenues from product sales, our business, results of operations and financial condition may be adversely affected.

11. ***We do not have any definitive agreements with our manufacturing partners and third-party suppliers for the supply of our raw materials, merchandise and apparels. Further, we do not have fixed terms of trade with majority of our manufacturing partners or third-party suppliers for supply of products.***

As a regular practice, in order to maintain flexibility while procuring raw materials, merchandise and finished products, we do not enter into long term agreements with our manufacturing partners and third party suppliers. Additionally, we do not have fixed terms of trade with our manufacturing partners and third party suppliers. As a result, we may not have access to additional discounts, schemes and offers provided by our manufacturing partners and third party suppliers which may adversely affect the pricing of our products and may make our products/pricing relatively unattractive. Moreover, in case our existing manufacturing partners and third-party suppliers are unable to supply our products as per our requirements, or at all, it may adversely affect our business operations, financial condition, and results of operations.

12. ***We have incurred indebtedness and an inability to comply with repayment and other covenants in our financial arrangements could adversely affect our business and financial condition. Further, certain of our financial agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition.***

Certain of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. As of March 31, 2023, we had total outstanding borrowings of ₹100.79 million. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institutions extending such loans and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes in the capital structure of our Company, changes in the composition of board of directors of our Company, amending the constitutional documents of the Company and changes in the shareholding pattern of our Company. Although we have obtained all necessary consents for the purposes of this Offer and have adhered with these covenants, failure to do so in the future may limit or delay certain activities or initiatives that we may occasionally propose to undertake. We have not defaulted on any terms in financing agreements in the past, however, we cannot assure you that this will be the case in the future. For further details, see *"Financial Indebtedness"* on page 280.

Failure to comply with the covenants under our financing arrangements or to obtain necessary consents/ waivers, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare a default against us and enforce remedies under the terms of the financing agreements. Such events of default include (i) failure or inability to pay outstanding principal and interest amounts on due dates, (ii) providing incorrect or misleading information and representations, (iii) providing inadequate security or insurance, (iv) liquidation or dissolution of our Company, (v) cessation or change in business or control of our Company, (vi) cross default, and (vii) default in the performance of any covenant, condition or undertaking on our part. The remedies available to our lenders in case of any of the above-mentioned events of default are (i) terminate and cancel either whole or part of the facility, (ii) suspend further access/drawals of the facility by us, either in whole or part, (iii) impose a monetary penalty, and (iv) accelerate repayments/initiate recall of the loans. For details in relation to our borrowings, see *"Financial Indebtedness"* on page 280.

We have in the past had one instance of delay of a few days in the payment of one instalment of our term loan, due to our bank account being temporarily frozen basis instruction from State Cyber Crime Cell, CID Crime, Gujarat to check a fraudulent transaction of ₹ 4,499 conducted by a customer at one of our stores. The freeze on the account was lifted post completion of the investigation. As on date of this Draft Red Herring Prospectus, there are no delays or non-compliances by our Company in relation to the financial arrangements with our lenders.

We may obtain additional funds by availing loans from time to time and consequently, our repayment obligations and interest may increase in the future as the loans we avail will be at variable interest rates. Further, we are also exposed to the risks associated with changes in interest rates in certain of our financing arrangements where there is a provision of periodic change in interest rates. We cannot assure you that we will be able to avail loans or refinance our existing loans at interest rates that are favourable to us, or at all. Further, in recent years, the Government of India has taken measures to control inflation, which included tightening the monetary policy by raising interest rates. As such, any increase in interest rates due to economic and political conditions in the market as well as the financial condition of our Company in the future, may have an adverse effect on our business, results of operations, cash flows, and financial condition. Additionally, if we fail to sell our products to the customers and our revenue from operations decreases as an effect of that, we may fail to repay our borrowings in a timely manner, or at all, and consequently, the credit rating with respect to our borrowings will downgrade. For further details, see *"Internal Risk Factors – Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations and financial condition."* on page 33.

13. ***Failure in complying with quality control processes may have an adverse impact on our business, results of operations and financial conditions.***

Our products may suffer from quality issues resulting from manufacturing or designing of the products or raw materials used in manufacturing the product. Our customers may also suffer from allergies that may cause skin inflammation, rashes, etc., if our raw materials are not of good quality which may consequently reduce our sales to a large extent or shut down our operations. We have implemented quality control processes such as fabric and garment inspection, quality audits, product quality tracking. However, since we procure large amounts of finished goods and assist our manufacturing partners in procuring large amounts of raw materials, it is difficult for us to inspect each of our products. Therefore, we rely on inspection methods such as random sampling of our products on a regular basis. As part of our quality control measures, we regularly inspect the premises, stores and warehouse. We have outsourced to an external agency the process of carrying out inspection, whereby they carry out fabric and garment inspections at our suppliers and manufacturing partner's units based on internal quality standards, in conformity with regulatory processes, and product quality tracking. As of May 31, 2023, we had a dedicated quality assurance team comprising of 10 employees responsible for ensuring compliance with our established quality standards. Quality audit processes are driven by a team of experienced personnel and further guided by constant engagement with manufacturing partners across the global manufacturing industry who have access to the standards of multiple brands to drive best-in-class quality assurance processes.

Further, we cannot assure you that our third-party manufacturing partners will adhere to these standards and our quality control processes will not fail or the quality inspections will always be accurate. In case the quality of our products is not aligning with our standards, or our products are defective, our customers may return our products, or we may be required to recall or exchange such products. Such incidents may impact our reputation, which in turn may adversely affect our business, results of operations and financial condition. We also face the risk of facing legal proceedings and product liability claims being brought against us defective products sold. We could be asked to pay compensation and damages if such claims or lawsuits are determined against us which may also result in adverse publicity and impact our brand and customer goodwill.

14. ***If we are unable to raise additional capital, either through equity or debt, our business prospects could be adversely affected.***

We intend to fund the growth of our Company and expansion plans through our cash in hand, cash flows and internal accruals. We will continue to incur significant expenditure in maintaining and growing our existing network. We cannot assure you that we will have significant capital requirements for our current operations and any future expansion plans. Our ability to incur any future borrowings is dependent on the success of our business operations.

The total borrowings of our Company is ₹ 100.79 million as of March 31, 2023. Our ability to arrange financing and the costs of capital of such financing are dependent on various factors such as general economy, credit rating, capital market conditions, credit availability from banks, investor confidence, continuous success of our business and regulatory framework that allow us to raise capital. In case we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

15. ***Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations and financial condition.***

The availability of financing arrangements depends on our credit rating. Credit ratings reflect the opinion of the rating agency on various factors such as our management, diverse clientele, increase in scale of operations and margins. We have received the following credit ratings on our debt and credit facilities.

	Fiscal 2023(1)	**Fiscal 2022(2)**	**Fiscal 2021(3)**
Long term bank facilities	CARE A+; Stable (Single A Plus; Outlook: Stable)	CARE A+; Stable (Single A Plus; Outlook: Stable)	CARE A+; Stable (Single A Plus; Outlook: Stable)
Long term/ Short term bank facilities	CARE A+; Stable/ CARE A1+ (Single A Plus; Outlook: Stable/ A One Plus)	CARE A+; Stable/ CARE A1+ (Single A Plus; Outlook: Stable/ A One Plus)	CARE A+; Stable/ CARE A1+ (Single A Plus; Outlook: Stable/ A One Plus)

(1) *Pursuant to a credit rating letter dated March 14, 2023.*
(2) *Pursuant to a credit rating letter dated March 1, 2022.*
(3) *Pursuant to a credit rating letter dated March 23, 2021.*

Any downgrade in our credit ratings may increase borrowing costs, result in an event of default laid down under our financing arrangements and may adversely affect our access to equity and debt markets. It would also adversely affect our interest margins, our business, results of operations, financial condition and cash flows. Furthermore, any downgrade in our credit ratings could increase the probability of our lenders imposing more restrictive terms and conditions, such as increase in rates of interest at which loans are extended to us, to any financing arrangements we enter into in the future and adversely affect our business, results of operations and financial condition.

<u>Operational Risks</u>

16. ***We may be unable to adequately obtain, maintain, protect, and enforce our intellectual property rights including 'Mufti', and inability to protect or use our intellectual property rights may adversely affect our reputation, business and operations.***

As on the date of this Draft Red Herring Prospectus, we have obtained 35 trademark registrations in India pertaining to our brand, which are registered under various classes, including 3, 9, 18, 22, 24, 25, 26 and 35 under the Trade Marks Act, 1999, as amended. Our Company has registered the trademarks for our logos ' ' and 'MUFTI'. In the past, we had filed an application of one trademark which had been objected. Subsequently, we had re-submitted the application for registration for the trademark which has been accepted and published in the Trademark Journal. We cannot assure you that none of our trademarks will be objected in the future.

We have obtained three copyrights in India pertaining to our brand and one copyright has been applied for under the Copyright Act, 1957, as amended. For further details, see *"Our Business – Intellectual Property"* and *"Government and Other Approvals"* on pages 163 and 287.

We have been involved in intellectual property disputes in the past, one such instance took place in the year 2017, wherein, one of our competitors sent a cease-and-desist notice to us for usage of their arcuate stitching design trademark displayed on the back pocket of their jeans and on other products. Pursuant to this, we provided an undertaking to not use, apply for or register in the future, such design trademark or any other design that is similar to their arcuate stitching design trademark and thereafter, the infringement allegations were withdrawn, without any monetary compensation being paid. We cannot assure you that we will not be involved in such disputes in the future. While we take measures to ensure that we comply with the intellectual property rights of third parties, we cannot determine with certainty whether any of these intellectual property rights are registered in favour of a third party. In such a scenario where the intellectual property rights are registered with a third party and a dispute arises, we may not be able to claim registered ownership and seek remedies for infringement of those intellectual property rights. Additionally, if a litigation arises on account of claims made by third parties for infringement of their intellectual property rights, it may divert the efforts and attention of our management away from our business and may adversely affect our business operations. There is no guarantee that the outcome of such litigations will be favourable to our Company. The risk of our Company being subject to intellectual property infringement claims will increase as we continue to expand our operations and product portfolio. As a result of such infringement claims, we could be required to pay infringement claims to a third party, obtain licenses, or cease some parts of our operations.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, design, packaging material and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our trade name or brand name. Any such activities may harm the reputation of our brand and adversely impact the sales of our products, which could in turn, adversely affect our financial performance. We rely on protections available under Indian laws, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our intellectual property rights, which may have an adverse impact on our business, results of operations, cash flows and financial condition. There is no assurance that third parties will not infringe upon our intellectual property rights. In addition, our current and future trademarks are/will be subject to an expiration date, and we cannot guarantee that we will be able to renew all of our trademarks prior to the expiry date. Our inability to obtain, maintain and renew these registrations and loss or expiry of trademarks may adversely affect our competitive position and therefore, our business, financial condition, and results of operations.

Further, the consequence of a third party infringing upon our intellectual property rights in the future would adversely affect our business operations, business prospects, reputation, goodwill and business value. In case our efforts to protect our intellectual property are inadequate and a failure occurs in protecting our intellectual property, we may resort to litigation so as to determine the validity of the claims and the scope of proprietary rights of others. This could result in costly litigation, usage of management's resources, and injunctions that could hinder our business operations.

17. ***We are exposed to the risks associated with leasing real estate in case the current location of our exclusive brand outlets ("EBOs"), warehouse and our Registered and Corporate Office become unattractive or in case we are unable to comply with the terms and conditions of the lease agreements then we may shift our EBOs to new locations, which may adversely affect our business, cash flows, results of operations and financial condition.***

The number of our EBOs as on May 31, 2023 and Financial Years ended March 31, 2023, March 31, 2022, March 31, 2021, is 379, 373, 321and 306 respectively. All of our EBOs operate in leased premises, which exposes us to the risks associated with fluctuations in rental markets. The usual term of the majority of the lease agreements for our EBOs varies from 5 to 9 years. For further details, see *"Our Business - Properties"* on page 163.

Our Registered and Corporate Office, which is situated at B 8, MIDC Central Road, Next to MIDC Police Station, Marol, Andheri (E), Mumbai – 400 093, Maharashtra, India on a leasehold basis valid until December 15, 2023.

We have our mother warehouse situated at Survey No. 10, Makali Village, Dasanapuri Hobli, North Taluk, Bengaluru – 562 162, Karnataka, India for which we have entered into a lease agreement which is valid until October 31, 2032.

We also have a warehouse situated at the ground floor of our Registered and Corporate Office, where we store our sampling raw material and trims (such as fabric, buttons, labels, tags, zippers, etc.). We have another warehouse situated at D-22, 23 and 24, Udyog Sadan Co-op Society Ltd., 2nd Floor, MIDC Central Road, Andheri East, Mumbai – 400 093, Maharashtra, India, where we store our finished goods.

The details of our lease expenses for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, is as provided below along with the lease expenses as a percentage of our total expenses for the aforementioned years.

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total Lease Expenses (in ₹ million)	546.44	397.80	330.01
Lease expenses as % of Total Expenses (%)	13.48%	12.96%	12.83%

Note: Total Lease Expenses includes rent paid, depreciation on right of use assets, interest on lease liabilities and adjusted for COVID-19 related rent concession

While we have an option of renewing the lease agreements for our EBOs, leased in favor of our Company, we may need to renegotiate the terms of renewal of the lease agreement with the lessor, on favorable terms mutually agreed upon by us and the lessor. As of the date of this Draft Red Herring Prospectus, some of our lease agreements have not been renewed. In case we fail to renew these lease agreements in a timely manner, or at all, it may adversely affect our business, and results of operations. We are unable to guarantee that we will be able to fully adhere to all the terms of the lease agreements, renew such lease agreement or enter into a new lease agreement in the future, on terms that are favourable to us, or at all. We are subject to a lock-in provision under majority of our lease agreements which may restrict our ability to terminate such leases, even when the EBO situated at such leased premises is no longer profitable for us. In case we do not have the option of renewal of a lease agreement for our EBOs on acceptable terms, we may have to close or relocate such EBOs which will have an impact on the sales of the products and revenues earned at such EBOs. This may subject us to additional costs and risks incurred while opening new EBOs. Further, for the two months period ended May 31, 2023, and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, the number of EBOs closed and relocated across India are mentioned in the table below:

Particulars	May 31, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Number of EBOs closed (including closure of relocated stores)	2	15	30	28
Number of EBOs relocated	2	6	8	5

The sale of our products depends on the location of the EBOs. We strive to make our products available at EBOs which are located in strategic locations and highly populated areas so as to attract customers. We cannot assure you that the current locations of the EBOs operated by us will continue to be attractive or profitable with change in demographics or renewal of the lease agreements on less favorable terms to us. Adverse effects on the economic conditions where our EBOs are located may cause a decline in our sales at EBOs situated in such locations. However, in case the areas where our EBOs are located improve and real estate prices increase, such that it may not be proportionate to the sales carried out in such location, and such locations may not be profitable for our business, and we may reassess the feasibility of such EBOs.

Additionally, lessors have the ability to terminate lease agreements before the expiration of their term, including non-compliance of the terms of the agreement by us or if we are unable to pay rent for an extended period of time. Further, we may also face the risk of being evicted in case our lessors allege a breach on our part of any terms under the lease agreements and there is no assurance that we will be able to identify suitable locations to re-locate our EBOs. Although no such incidents have occurred in the past, we cannot assure you that such instances will not occur in future. In the event such incidents occur, our business, financial condition and results of operation may be adversely affected.

18. ***We have warehouses at Bengaluru, Karnataka and Mumbai, Maharashtra and majority of our manufacturing partners are situated in Karnataka and Tamil Nadu which may expose our supply chain to regional risks, which may adversely affect our business, cash flows, financial condition and results of operations.***

Our mother warehouse is located at Survey No. 10, Makali Village, Dasanapuri Hobli, North Taluk, Bengaluru – 562 162, Karnataka, India and we have another warehouse situated at Ground Floor, Plot No B-8, MIDC Central Road, Marol, Andheri East, Mumbai – 400 093, Maharashtra, India where we store our sampling raw material and trims (such as fabric, buttons, labels, tags, zippers, etc.). We have another warehouse situated at D-22, 23 and 24, Udyog Sadan Co-op Society Ltd., 2nd Floor, MIDC Central Road, Andheri East, Mumbai – 400 093, Maharashtra, India, where we store our finished goods. Our mother warehouse acts as a facility for storage and onward delivery of our products across the nation. Further, as on March 31, 2023, we have over 45 manufacturing partners from whom we procure finished goods, of which majority of our manufacturing partners are located in Karnataka and Tamil Nadu. The geographical concentration of our mother warehouse and manufacturing partners renders our operations susceptible to regional risks, adverse changes and events occurring in and around the region. Adverse changes and events that may impact our business operations may include disruptions to our infrastructure and services such as supplies and transportation, significant natural disasters, man-made incidents, political agitations, workforce disruptions, as well as changes in the general economic conditions, regulatory environment, and local government policies. Incidents such as fire or inability to access our facilities of our manufacturing partners and warehouse or other issues hindering the operations of the warehouse or manufacturing partners could hinder the manufacturing and distribution of our products. In such circumstances, we may need to approach alternate manufacturing partners in the market for manufacturing our products and utilize alternative facilities to distribute our products. However, we may not be able to do so in a timely manner, or at all. Since our mother warehouse and majority of our manufacturing partners are situated in a concentrated geographic region, we may incur additional expenses and costs while transporting our products to our stores and customers located in regions far away from our warehouse, in different states in India. We have subsisting service contracts with some of our labour contractors at our warehouse (on the basis of total contract charges), which can be terminated by us on various grounds specified in such contracts. Although we have not faced such instances in the past, we may face adverse circumstances wherein the fuel prices increase or there are labour strikes by third-party logistics providers, and consequently, we may incur additional expenditure on transportation and delivery of our products. While we have not experienced such disruption in the past, we cannot assure you that we will be able to effectively manage potential losses arising from such events in the future, which may adversely affect our business, cash flows, financial condition and results of operations.

19. ***We may be subject to fraud, theft or such similar incidents which may have an adverse effect on our business operations and financial conditions.***

Our business is exposed to the risk of incidents of theft, fraud, pilferage by employees, misappropriation of funds or inventory and such similar incidents which may result in shrinkage at our stores. An increase in the levels of shrinkage at our stores may require us to deploy more security staff and increase surveillance which would increase our operational costs and adversely affect our profitability.

As part of our business, we accept cash as a mode of payment on purchase of products at our stores. This exposes us to the risk of storage of cash at the stores and consequently, increases the probability of misappropriation of cash or theft in our stores, by our employees as well as outsiders. In order to prevent such instances, we ensure mandatory verification and maintaining a record of proof of receipt of cash by way of bills on purchase of products by the customers and expenditure for all reimbursements made by the employees. Additionally, we also ensure that we record entries for all cash payments received against sale of our products on our ERP system 'Ginesys' and such cash collection and deposit entries are verified against details available in our bank statements.

In the past, there have been two instances of theft in our stores, due to which we incurred losses, and we had initiated legal action for recovery of such losses. The Court of Metropolitan Magistrate, Andheri, Mumbai, Maharashtra had passed orders in favour of our Company in both instances and returned the apparel to our Company.

We have security measures set up at our stores such as security cameras, deployment of security guards on a need basis depending upon the location, to protect brand image and security, process of periodic stock verification and have obtained insurance for the products. We incur expenses on security personnel, installing surveillance equipment, inventory management and handling to prevent loss of stock. However, there is no assurance that we will be successfully preventing losses and not experience any instances of theft, fraud, negligence, or such similar instances in the future and will successfully be able to claim compensation under the insurance policies on the occurrence of such events which would adversely affect our business, results of operations and financial conditions. For further details, see *"- Internal Risk Factors - Our insurance policies may not be adequate or sufficient to cover our losses if we incur huge losses or liabilities that significantly exceed our insurance coverage"* on page 38.

20. ***We rely on third-party transportation providers for the transportation of our finished products and any disruption in such delivery or failure by third parties in transporting the products may adversely affect our operations.***

The success of our business depends on the uninterrupted supply and transportation of our finished products for the purposes of transporting our finished products from our warehouses to our stores, we depend on third-party transportation and logistics providers. We enter into agreements with such third-party transportation providers for transporting our finished products through road (surface and train) and air, usually for a period of one year.

During COVID-19 period, we suffered disruption and delay in transportation of our products due to the restrictions imposed by the Government of India, which adversely affected our business operations. A similar outbreak of COVID-19 or any other pandemic in the future may adversely affect our business, financial condition and results of operations.

Transportation strikes in the areas our stores and warehouses are situated may have an adverse effect on supplies and deliveries of our products in a timely manner. Additionally, products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. In the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, the losses and damages amounted to ₹1.55 million, ₹0.52 million and ₹0.68 million, respectively on account of loss in transit such as, due to the transportation provider, theft, fire and damage to products. There may also be delay in transportation of products which may adversely affect our business and results of operations. Failure to transport our products in an efficient and reliable manner may have a material and adverse effect on our business, financial condition, and results of operations. For further details, see *"Internal Risk Factors - Failure in complying with quality control processes may have an adverse impact on our business, results of operations and financial conditions"* on page 32.

There is no assurance that any disruption in transporting our products will not occur in the future as a result of these factors and that such disruptions may or may not have material effect on the business of the Company. In the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, our products were transported through third-party transportation providers with whom we have entered into contracts with, and the expenditure for transportation amounted to ₹41.78 million, ₹35.75 million and ₹30.36 million, respectively.

In the Financial Year ended March 31, 2021, we had filed an insurance claim for the damage caused at our mother warehouse situated at Bengaluru, Karnataka, on account of heavy rains which led to waterlogging, thereby causing damage to our garments stored at the warehouse and we had received an amount of ₹12.10 million from the insurance provider. Further, in the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, the freight insurance claims made by us and approved by the insurance provider amounted to ₹1.43 million, ₹0.44 million and ₹0.56 million, respectively. 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 suffer from an increase in fuel costs, as it will have an impact on freight charges levied by our third-party transportation providers. In order to meet our distribution requirements, we would need to spend a considerable amount of money and resources, including absorbing the extra freight costs to keep our selling price the same, which would hurt our business' results of operations, or pass the costs on to our customers, which would hurt the demand for our products.

21. ***For ensuring success of our business, consistency and quality in customer service is critical which depends on our ability to recruit and retain skilled personnel. Any failure in this respect could materially and adversely impact our business, financial conditions, cash flows and results of operations.***

Our business is work force intensive and the success of our business depends on maintaining high standards of customer service at our stores. This depends on our ability to attract, hire, train, and retain skilled personnel particularly for sales functions, monitor them continuously on key service parameters and guide them regularly. We had 220 employees and over 1,000 contract labourers as of May 31, 2023. So as to expand our retail network, we need experienced manpower that has relevant knowledge of our target customers, the local market and the retail industry to operate our stores, respectively.

We have experienced attrition rate of 13.66%, 17.62% and 29.35% for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. We cannot assure you that the attrition rates of our employees will not increase. Our business, results of operations and financial conditions could be adversely affected in case the attrition rate of our employees increases. This would also lead to decrease in operational efficiency, productivity, loss of customer relationships and market knowledge and an increase in costs incurred in training and recruiting new personnel. In order to remain competitive in attracting and retaining personnel, we may have to increase the compensation and level of employees that our business requires. We cannot assure you that we will be able to attract and retain qualified employees or find adequate replacements in a timely manner, or at all. In case we fail to hire personnel with adequate knowledge and expertise, our business operations and results of operations may be disrupted.

For the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, the details of our employee benefit expenses are mentioned below:

	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Employee benefit expenses (in ₹ million)	267.63	291.76	218.33
% of Total Revenue from Operations	5.37%	8.55%	8.92%

Our employee benefits expense decreased by 8.27% from ₹ 291.76 million in Fiscal 2022 to ₹ 267.63 million in Fiscal 2023, primarily on account of a one-time ex-gratia payment to employees in Fiscal 2022 of ₹ 35.69 million for their support to the Company during COVID-19 period. For further details, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 260.

Additionally, we may experience rising labour costs in India, which would have a direct impact on our labour costs and, in turn, our profit margins. Additionally, the minimum wage laws in India may be amended, which would result in an increase in payment of minimum wages in one or more of the states where our stores or warehouses are situated or where we intend to expand. The wages we pay to our employees may increase appropriately in case the inflation in the market rises. Our costs and profitability may be significantly impacted if we have to raise compensation and other benefits in the future in order to recruit and retain personnel.

22. ***We engage contract labourers at our warehouse and any failure by the vendors from whom such contract labourers are engaged to pay wages or dues on time could subject us to financial liability, in turn adversely impacting our profitability and results of operations.***

While we do not engage in manufacturing operations, we engage certain contract labourers at our stores and warehouses. As of May 31, 2023 we had engaged 1,055 personnel on a contractual basis. Under the applicable laws, we are recognised as the principal employer for such contractual labour engaged at our warehouse and we maintain necessary licenses under the Contract Labour (Regulation and Abolition) Act, 1970. In the past there has been an instance wherein a labour contractor, engaged by our Company at our warehouse, failed to make timely payment of salaries and other statutory dues to the contractual labourers engaged in operations of our Company for which we were required to make payment of ₹1.93 million directly to the labourers. While we do not have any outstanding notices from regulatory authorities for non-payment of wages to contract labourers, there is no assurance that we would not be subject to liabilities in future. Any such future liabilities may adversely impact our profitability and require us to make unscheduled or unanticipated payments to contract labourers, thereby adversely impacting our results of operations and financial conditions.

23. ***We are subject to payment-related risks, including risks associated with cash payments, online payment mechanisms and payment processing risks.***

We accept various payment methods from customers for purchase of our products, including, credit and debit cards, UPI, digital wallets Although the number of prepaid orders we receive have increased due to improved usage of digital wallets, online payments and e-commerce platforms by the customers in India, we are still subject to the risk of misappropriation of cash or failure of payment by the customers and return of the purchased products. There have been no major instances in the past where we have faced failure in payments made by customers through online payment mechanisms apart from cash.

For several payment mechanisms, including credit and debit cards, we pay bank interchange and other fees, which may increase over time, thereby increasing our operating costs which may adversely affect our results of operations. We use payment gateways of various third parties to provide payment processing services, including the processing of credit and debit cards of our customers. Our business may be disrupted for a long period of time if any of these payment gateways becomes unwilling or unable to provide these services to us. We are required to comply with payment card network operating rules, which are set and interpreted by the payment card networks for the third-party payment processors. The payment card networks may adopt new operating mechanisms or interpret or re-interpret existing rules, as revised by regulatory authorities such as RBI, from time to time, in ways that might prohibit us from providing certain services to our customers or be costly to implement. If we fail to comply with these rules or requirements by service providers including in connection with nodal accounts, we may be subject to fines or indemnities or higher transaction fees or lose our ability to accept credit and debit card payments from our customers or facilitate other types of online payment mechanisms, which may adversely affect our business operations. In case fraudulent transactions occur due to payments made via credit cards, including international credit card transactions, and become excessive, they could potentially result in our losing the right to accept credit cards for payment. Occurrence of any or all of the events mentioned above may adversely affect our business, financial condition, cash flows and results of operations.

24. ***Our insurance policies may not be adequate or sufficient to cover our losses if we incur huge losses or liabilities that significantly exceed our insurance coverage.***

Our insurance policies currently cover instances of fire, burglary, accidents, money and natural and man-made disasters in our registered and corporate office, all EBOs, inventory in warehouses and transit of goods. Despite our insurance coverage, we may not be fully insured against all business risks pertaining to our industry. There may be instances that adversely impact our business, results of operations and financial conditions for which we may not be adequately insured.

We could incur liabilities or suffer losses due to unforeseen incidents such as fire, flood and such other calamities that could affect our stores, warehouse and corporate offices. Although we are covered with insurance policies for general liability coverage, employee health insurance, vehicle insurance, marine insurance and general insurance for stock, furniture and fixtures. There are possible losses that may not be adequately covered under the insurance policies availed or which we may not have insured against. We may face losses in case of absence of insurance or in cases where we are unable to claim the entire amount of the losses from the insurance companies. Any damage suffered by us that is not covered for under the insurance policies will have to be borne by us. The details in relation to the aggregate coverage of insurance policies obtained by us is provided in the table below:

(in ₹ million)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Insurable Assets [1]	1,768.14	1,082.82	994.71
Uninsurable Assets [2]	3,976.66	3,677.67	3,175.19
Total Assets	**5,744.80**	**4,760.49**	**4,169.90**

As certified by Dileep & Prithvi, Chartered Accountants by way of their certificate dated July 11, 2023.
Notes:

1. *Insurable assets include property, plant and equipment, capital work-in-progress, investment property and inventories.*
2. *Uninsurable assets include right of use assets, intangible assets, security deposits given, deferred tax assets, income tax assets, balance with government authorities, loans and advances given, trade receivables, cash and cash equivalents and fixed deposits with bank.*

(in ₹ million, unless otherwise specified)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Insurance Cover	3,898.63	2,816.45	2,749.19
Value of Insurable Assets	1,768.14	1,082.82	994.71
Insurance Cover (%)	**220.49%**	**260.10%**	**276.38%**

Note: As certified by Dileep & Prithvi, Chartered Accountants by way of their certificate dated July 11, 2023.

The responsibility for insurance of the finished products, while at the manufacturing partner's warehouse and during transit from the manufacturing partners to our warehouse, lies with the manufacturing partners. Once the finished products reach our warehouse, we are responsible for the insurance of the finished products, including movements of the finished products to our stores from the warehouse, as well as any returned products. Any loss or damage that occurs during this period could result in financial losses for our Company.

Although we believe that we have obtained insurance against losses which are most likely to occur in our line of business, there may be certain losses which may not be covered by insurance, which we have not ascertained as on the date. Therefore, we cannot assure you that we will continue to accurately ascertain and maintain adequate insurance policies for losses that may be incurred in the future. For further information on the insurance policies availed by us, see "*Our Business – Insurance*" on page 162 and *"Internal Risk Factors – We rely on third-party transportation providers for the transportation of our finished products and any disruption in such delivery or failure by third parties in transporting the products may adversely affect our operations"* on page 36.

25. ***We may suffer from labour shortages, strikes, slowdowns, work stoppages and increased wage costs by our employees, manufacturing partners and third-party suppliers or any other kind of disputes with our employees.***

India has strict labour legislations to safeguard the interests and rights of the workers, which lays down the procedures for establishments of labour unions, dispute resolution and imposes obligations on the employers in case of entrenchment. We believe that our employees, suppliers, contract labourers at our warehouse and manufacturing partners are critical to the operations of our business and to maintain our competitive position in the market. Our manufacturing partners are further dependent on third-party suppliers for procuring the raw material for our products. Although there have been no such incidents in the past, any form of labour unrest and shortages by our manufacturing partners or at the third-party suppliers' end would cause disruptions in our retail and business operations, if not resolved in an efficient and timebound manner. We cannot assure you that any disruptions in work due to strikes, wage disputes or other challenges hindering our operations by our employees or manufacturing partners, or the third-party suppliers will not arise in the future. Further, the imposition of new rules, and regulations pertaining to labour laws in various geographical areas where our stores are located may also adversely affect our business operations. These events are very difficult for us to predict or control and would affect our business, results of operations and financial conditions.

26. ***We sell our products through online e-commerce platforms on a fixed-margin model and therefore, cannot control the pricing strategies employed by such e-commerce platforms to entice customers.***

We sell our products on various e-commerce platforms as it helps us cater and reach a wider customer base. We have a fixed margin percentage with such e-commerce platforms on net sales or return basis. However, we cannot control the pricing strategies employed by such e-commerce platforms as they may periodically introduce discounts, schemes, etc., to entice customers to purchase our products from their platforms and there is no minimum guarantee for the quantity of the products sold on such e-commerce platforms. Thus, the price they may quote may be lesser than what we quote our own website, thereby causing decrease in sales through our website due to price parity. This could lead to lesser profits due to lower sales on our website and such decrease in profit margins will adversely affect our financial conditions, revenue from operations and profitability.

27. ***The growth of online retail platforms and current trends of discounts and price strategies may adversely affect our pricing ability, which may have an adverse effect on our results of operations and financial condition.***

For the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, our revenue from operations attributable to online sales is mentioned in the table below:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from online sales (in ₹ million)	254.45	280.31	201.05
% of Revenue from Operations	5.11%	8.22%	8.21%

In recent years, there has been increase in usage of smart phones and low-cost internet data has led to a boost in online retailing. This has led to current trends of discounts and deep price competition amongst e-commerce platforms. While we determine the maximum retail price of our products, which are being sold through various e-commerce platforms and MBOs, our products may be sold at a different price by these e-commerce platforms and MBOs, which may offer additional discounts to their customer base on certain occasions such as festivals, annual sales, etc. Any inability on our end to enter into agreements and terms favourable to us, may have an adverse effect on our prices and profit margins which consequently may affect our results of operations and financial condition. Further, our online retailers provide customers with products of other brands and accordingly have negotiating power over us and we may not be able to enter into agreements with the online retailers at terms favourable to us or at all. For further details, see *"Internal Risk Factors – We sell our products through online e-commerce platforms on a fixed-margin model and therefore, cannot control the pricing strategies employed by such e-commerce platforms to entice customers."* on page 39.

28. ***If we launch any new products which are not successful in the market as we anticipate, our business, cash flows, results of operations and financial condition may be adversely affected.***

We may launch additional products in the future in order to effectively market a wide range of apparel or other products. We are focused on a journey of reinvention and growth of our business to attract new customers to our brand. Our design team is currently considering designing a line of shoes, belts, caps, socks, and boxers that will complement our existing offerings to make *Mufti* a 360° men's lifestyle brand. We cannot assure you that the products we may launch will accurately reflect the prevailing fashion trends or be well-received by our customers and the market, and in case our products are not successful with the customers then our brand reputation may adversely suffer. Although, there have no instances in the past where any of our products have failed in the market or have been sold at less than desired quantities, there may be products from our portfolio which may not find favour with consumers or may not sell in desired quantities in the future. Further, we cannot assure you that we will be able to recover costs incurred in developing these products and brands, or earn adequate profits and profit margins on such launches. This may have an adverse impact on our business, results of operations and financial conditions and also divert the attention of our management and cost us operational and financial resources.

29. ***If we are unable to protect the data related to electronic mode of payments, or any other personal information that we collect from customers, our brand reputation could be significantly harmed.***

We are associated with the risk of security and privacy breaches due to the usage of electronic payment methods and the gathering of personal information from customers. Although we rely on firewalls, web content filtering, encryption, and authentication technologies among other security measures, unauthorised use of, or improper access to, our networks, computer systems, or services might possibly compromise the security of such sensitive information of customers. We may not be able to predict breaches or put adequate prevention measures in place. We are unable to guarantee that any security measures we implement will be successful in preventing these actions. In order to prevent security breaches or to deal with the consequences of such breaches, we might need to expend resources to protect our business against such security breaches. While there have been no instances of breaches of our data in the past three years, we cannot guarantee that our integrity of data collected by us, or our information systems may not be infringed in the future.

If people are able to circumvent our security measures or otherwise gain access to the confidential information that we collect, they may be able to destroy or steal valuable information or otherwise disrupt our operations. We may become subject to claims for alleged fraudulent transactions arising out of the actual or alleged theft of personal information in relation to their mode of payments such as debit or credit card, and we may also be subject to lawsuits or other proceedings relating to these types of incidents. Any such claim or proceeding could cause us to incur significant unplanned expenses, which may have an adverse impact on our financial condition, results of operations and cash flows. Further, adverse publicity resulting from these allegations could significantly harm our reputation and may have a material adverse effect on us and our stores.

30. ***Our inability to adapt with new technologies in our operations or technology failures or breach of data security could disrupt our operations and may adversely affect our business and results of operations.***

Information technology systems ("**IT Systems**") are critical to our ability to manage our business operations, inventory management, financial management, data handling and e-commerce sales, amongst others, and aid in maximizing efficiency in operations and costs incurred. Our IT Systems enable us to track and coordinate our front-end and back-end operations, decision making, procuring, manufacturing, distribution, supply chain operations, logistics, transport, invoicing, point-of-sale and customer relation management. We use intelligence tools to monitor our sales and replenish our stocks on a regular basis.

We use the most cost-effective technological solutions for our business which includes software such as ERP Ginesys, MuftiConnect, Vesture and QlikView. Our IT system, "Vesture", manages our entire supply chain, including raising purchase order to final receipt of goods at our warehouse, and our ERP system, "Ginesys" aids us in timely delivery and distribution to our various stores and partners. Our tech-enabled inventory management system allows us to ensure optimum inventory at our stores and to move inventory across geographies based on real time analysis of sales. For further details, see *"Business – Information Technology"* on page 161.

Although, till date, we have not experienced any major disruption in our operations due to failure of or attack on our systems, we cannot assure you that we will not encounter such events or disruptions in the future, and any such event or disruption may adversely affect our business. We have data backup systems in place which creates backup of all data that is stored on our servers, with backup synchronization taking place periodically. While we do not have insurance policies covering cyber risks, we have internal policies configured in our IT applications such as ERP system "Ginesys" that may prevent data leakage from our systems. If our security and information systems are compromised as a result of data corruption or loss, cyberattack or a network security incident or our employees, or if we fail to comply with the applicable laws and regulations, and this information is obtained by unauthorized persons or used inappropriately, it could subject us to litigation and regulatory actions, damage our reputation, cause us to incur substantial costs, liabilities and penalties and result in a loss of customer confidence, all of which could adversely affect our business, financial condition and results of operations.

As our business undergoes changes in the future, with introduction of new products and designs, although we will strive to maintain and upgrade our technologies from time to time with current international standards, changes in technological infrastructure may render our technology obsolete or require us to substantially invest in upgrading our technologies. We cannot assure you that we will be able to successfully and timely make additions or replacements to our current technological infrastructures. Failure on our part to adapt and implement such technological changes may increase our costs, which may adversely affect our business, results of operations and financial condition.

Risks in relation to financial position

31. Our Company being in the retail sector requires significant amount of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.

As our business forms part of the retail sector, we require a significant amount of working capital. Majority part of our working capital is utilized towards purchasing finished goods from manufacturing partners, expenses towards operations of our warehouse and stores, inventory, payments to vendors and trade receivables. Our working capital requirements for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, is as provided in the table below:

(in ₹ million, except otherwise stated)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net Working Capital (excluding working capital loans)	1,918.64	1,678.50	1,386.19
Total Current Assets	2,876.45	2,518.01	2,128.96
Inventory	1,134.03	657.38	586.09
Inventory as % of Total Current Assets	39.42%	26.11%	27.53%

As on March 31, 2023, we have been sanctioned fund based working capital limits of ₹700.00 million, of which ₹298.00 million can be inter-changeably used as non-fund based working capital limits, from our existing lenders. Since the retail industry is working capital intensive, we have a lot of fixed expenditures for operation of stores and maintenance of optimum inventory levels. We intend to continue growing by expanding our existing stores and by establishing additional stores, which may consequently increase our level of current assets. Inability on our part to maintain sufficient cash flows, credit facilities and other sources of funds, in a timely manner, or at all, to meet our working capital requirements or pay our debts, may adversely affect our financial conditions and results of operations. For further details, see *Financial Indebtedness*" and *"- Internal Risk Factors – Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations and financial condition*" on pages 280 and 33, respectively.

Additionally, the amount of our future working capital requirements will vary basis the estimates of various factors, including, cost overruns, unprecedented expenses, regulatory changes, economic conditions, new developments and opportunities in the industry, which may consequently result in short-term borrowings in the future. Due to such factors, our requirement for working capital may increase in the future, which may adversely affect our business and results of operations.

32. We have contingent liabilities that have not been provided for and commitments in our financial statements, which if materialize, may adversely affect our financial condition.

As on March 31, 2023, our contingent liabilities that have not been accounted for and our commitments in our Restated Consolidated Financial Information, as per Ind AS 37-'Provisions, Contingent Liabilities and Contingent Assets' were as follows:

(₹ in millions)

Particulars	As on March 31, 2023
A. Contingent liabilities	
(i) Claims against the company not acknowledged as debts (Refer note (i) below)	
(a) Demand raised by income tax authorities	4.00
(b) Bonus liability for the FY 2014-15 pending settlement with judiciary authorities	3.87
(c) Claims against Group not acknowledged as debt	3.71
B. Commitments	
Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances) (Refer note (ii) below)	11.12

Notes:

(i) No provision is considered necessary since the Group expects favorable decisions.

(ii) Apart from the commitments disclosed above, the Group has no financial commitments other than those in the nature of regular business operations.

(iii) *The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.*

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further details, see *"Restated Consolidated Financial Information – Note 33 – Contingent Liabilities and commitments (to the extent not provided for) "* on page 241.

33. ***Our Statutory Auditors have included an emphasis of matter in connection with the financial year ended March 31, 2021 in their examination report on the Restated Consolidated Financial Information and have included certain remarks in connection with the Companies (Auditor's Report) Order, 2020 in their audit report on standalone financial statements of our Company for the financial year ended March 31, 2023.***

Our Statutory Auditors have included the following emphasis of matter in their examination report on the Restated Consolidated Financial Information for the financial year ended March 31, 2021:

"Basis of preparation and restriction on distribution and use:

We draw attention to Note 2.1 to the Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Financial Statements have been prepared by the Company for the purpose of preparation of the Restated Consolidated Financial Information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in the Draft Red Herring Prospectus (the "DRHP") in connection with the proposed initial public offering of the Company. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Consolidated Financial Information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter."

In addition, our Statutory Auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2020 (the "**CARO Report**") issued by the Central Government of India under Section 143(11) of the Companies Act, 2013. In the audit reports on standalone financial statements of our Company prepared by our Statutory Auditors as at and for the and the Financial Year ended March 31, 2023, March 31, 2022, and March 31, 2021, CARO remarks have been included. For details in relation to the CARO remarks, please see *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 260.

We cannot assure you that our Statutory Auditors' observations for any future financial period will not contain similar remarks, emphasis of matters or other matters prescribed under the Companies (Auditor's Report) Order, 2020, and that such matters will not otherwise affect our results of operations.

34. ***We have delayed payments of certain statutory dues and have also paid interest and fees towards such delayed payments.***

Our Company has delayed in making payments of statutory dues under certain statutory provisions such as the IT Act, the Central Goods and Services Tax Act, 2017 and the Employees Provident Funds. For the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, we have also paid interest and fees towards such delayed payments of certain statutory dues like Advance Income tax, GST, Profession Tax, Provident Fund, etc., amounting to ₹6.81 million, ₹2.97 million and ₹1.52 million, respectively, as per our Restated Consolidated Financial Information. Since these are delayed payments, any further delay in payment of statutory dues may attract penalties from statutory authorities and in turn, our cash flow from operations and financial conditions will be adversely affected to the extent we have to pay interest and penalties on the same.

35. ***The COVID-19 pandemic has had an adverse effect and any future pandemic may have adverse effects on our business, results of operations, financial condition and cash flows.***

COVID-19 pandemic or any future pandemic, may have a negative impact on our business and operations because they affect the markets and communities in which we, our franchisees, our manufacturing partners and suppliers from whom we source our raw materials operate, as well as our customers. The COVID-19 outbreak, which was initially reported in December 2019, has spread globally and the virus has undergone multiple mutations, however the created vaccinations have typically lowered infection rates and fatalities. Any pandemic or widespread public health crises could have effects on regional, national, and international financial markets, as the COVID-19 pandemic has. The COVID-19 outbreak has had a major and negative impact on economic activity, added to significant volatility, and put pressure on financial markets in several nations and regions, including India.

Public health officials and governmental authorities across the globe have reacted to the COVID-19 pandemic's rapidly changing effects by implementing measures, including in India, where our business operations are based. These measures include prohibiting large-scale gatherings of people, enforcing quarantines, limiting travel, issuing "stay-at-home" orders, and restricting the kinds of businesses that may continue to operate, among many others. India's declaration of COVID-19 as a "notified disaster" for the purposes of the Disaster Management Act, 2005 on March 14, 2020, and the subsequent imposition of a state-wide lockdowns beginning on March 25, 2020, have had an effect on business operations in the sector in which we are engaged.

There was a decline in the sale of our products due to the lock down and restrictions imposed by the government in lieu of COVID-19 pandemic in the Financial Year ended March 31, 2021, thereby adversely affecting customer demand for our products. Our revenue from operations was comparatively lower in the Financial Year ended March 31, 2021, that is, ₹ 2,448.26 million, which increased to ₹ 3,411.72 million for the Financial Year ended March 31, 2022 and to ₹ 4,981.82 million in Financial Year ended March 31, 2023, that is, by 39.35% and 103.48%, respectively compared to revenue from operations for the Financial Year ended March 31, 2021. For further details, see "*Restated Consolidated Financial Information – Note 43 – Impact of COVID-19*" on page 254.

The manufacturing of our products is outsourced by us to our manufacturing partners and during COVID-19 we witnessed a delay in receiving finished products from our manufacturing partners on account of the issues faced by them in carrying out the manufacturing process. Accordingly, we were unable to make further sales to consumers.

Legal and regulatory risks

36. ***There may be outstanding litigations and regulatory proceedings by and against our Company, Subsidiary, Directors and Promoters. Any adverse outcome from such legal proceedings may impact our reputation, business, cash flows, financial condition, and results of operations.***

There are outstanding litigations involving our Company, Directors, Promoters and Subsidiary which are pending at various levels before various courts, tribunals and other regulatory authorities. As on the date of this Draft Red Herring Prospectus, we do not have any group companies. These outstanding litigations may use up management's attention and time and consume financial resources for defence and prosecution. The amounts claimed in these proceedings, jointly and severally, have been disclosed to the extent that such amounts are ascertainable and quantifiable, as applicable. Any unfavourable decision in connection with such proceedings could adversely affect our reputation, business, financial condition and results of operations. The summary of such outstanding legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Name of the entity	Criminal Proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (in ₹ million)^
Company						
By our Company	3	-	-	-	1	12.02
Against our Company	-	2	-	-	-	4.00
Directors (including our Promoters)						
By our Directors	-	-	-	-	-	-
Against our Directors	-	5[#]	-	-	-	10.80
Promoters						
By our Promoters	-	-	-	-	-	-
Against our Promoters	-	5[#]	-	-	-	10.80
Subsidiary						
By the Subsidiary	-	-	-	-	-	-
Against the Subsidiary	-	1	-	-	-	0.00

^ To the extent quantifiable.

[#] *These are the same matters involving the Promoters of the Company, namely Kamal Khushlani and Poonam Khushlani.*

We will not be able to assure that any of these on-going matters will be settled in favour of our Company, Subsidiary, Directors or Promoters, respectively, or that no additional liability will arise out of these proceedings. The amounts and claims involved in these pending litigations are not ascertainable or quantifiable. Further, we will not be able to assure that there will be no new legal and regulatory proceedings involving our Company, Subsidiary, Directors or Promoters in the future. Any adverse effects arising from the legal proceedings may have an impact on the business, financial conditions and results of operations. For further details, see *"Outstanding Litigation and Other Material Developments"* on page 283.

37. ***Post completion of the Offer, certain Shareholders of our Company namely, Bennett Coleman &Co. Ltd. ("BCCL"), and Dharmayug Investments Limited ("Dharmayug"), will continue to have right to dispute resolution and indemnity under the share subscription agreements entered by the Company with the respective Shareholders .***

Our Company has entered into a share subscription agreement dated December 31, 2008 (the "**BCCL SSA**"), entered amongst Bennett Coleman & Co. Ltd. ("**BCCL**"), our Company, Kamal Khushlani, Poonam Khushlani and Kavita Khushlani and a share subscription agreement dated December 31, 2008 (the "**Dharmayug SSA**"), entered amongst Dharmayug Investments Limited ("**Dharmayug**"), our Company, Kamal Khushlani, Poonam Khushlani and Kavita Khushlani for subscription of equity shares of our Company by BCCL and Dharmayug. Additionally, our Company has entered into a share subscription agreement dated October 20, 2009 entered amongst Brand Equity Treaties Limited, the Company, Kamal Khushlani, Poonam Khushlani and Kavita Khushlani ("**BETL SSA**") and a share purchase and shareholders agreement dated October 20, 2009 entered amongst Brand Equity Treaties Limited, the Company and Kamal Khushlani ("**BETL SPA**"). BCCL and BETL entered into a scheme of merger by absorption of BETL with BCCL and their respective shareholders ("**Scheme**") which was approved by National Company Law Tribunal, Mumbai Bench vide order dated August 12, 2020 read with order dated September 7, 2020 pursuant to which 106,399 equity shares having face value of ₹ 10 each of the Company held by BETL, including the rights, title, interest or obligations therein were transferred to and vested in BCCL ("**Vested Shares")** as on the appointed date as defined under the Scheme. From the date of the Scheme coming into effect, the Vested Shares have been transferred to BCCL. As on the date of this Draft Red Herring Prospectus, the percentage of shareholding of BCCL and Dharmayug in our Company is 12.64% and 0.71%, respectively.

Pursuant to the amendment agreement dated July 12, 2023 ("**BCCL Amendment Agreement**") to the BCCL SSA, entered into amongst BCCL, our Company, Kamal Khushlani and Poonam Khushlani, the parties to the BCCL Amendment Agreement have waived their respective rights under the BCCL SSA, including, among others, right of first refusal, put option and tag along rights. The provisions surviving the BCCL SSA are the provisions made in relation to indemnification and dispute resolution.

Pursuant to the amendment agreement dated July 12, 2023 ("**Dharmayug Amendment Agreement**") to the Dharmayug SSA, entered into amongst Dharmayug, our Company, Kamal Khushlani and Poonam Khushlani, the parties to the Dharmayug Amendment Agreement have waived their respective rights under the Dharmayug SSA, including, among others, right of first refusal, put option and tag along rights. The provisions surviving the Dharmayug SSA are the provisions made in relation to indemnification and dispute resolution.

Pursuant to the amendment agreements to the BETL SSA ("**BETL SSA Amendment Agreement**") and BETL SPA ("**BETL SPA Amendment Agreement**") each dated July 12, 2023, the parties to the BETL SSA Amendment Agreement and BETL SPA Amendment Agreement have waived their respective rights under the BETL SSA and BETL SPA, including, among others, right of first refusal, put option and tag along rights. The provisions surviving the BETL SSA and BETL SPA are the provisions made in relation to indemnification and dispute resolution.

The above rights of dispute resolution and indemnification are also reflected in the Articles of Association of our Company, which comprises two parts, Part A and Part B. While Part B of the Articles of Association stands automatically terminated upon receipt of listing and trading approvals from the Stock Exchanges for the Offer, Part A of our Articles of Association, which will come into force upon receipt of listing and trading approvals from the Stock Exchanges for the Offer. For details, see *"History and Corporate Structure"* on page 170.

Other than the above surviving Shareholder rights and certain other standard clauses such as governing law and confidentiality, the BCCL SSA, Dharmayug SSA, BETL SSA and BETL SPA shall stand automatically terminated from the date of receipt of final listing and trading approvals for the Equity Shares from the Stock Exchanges pursuant to the Offer. The interests of our significant Shareholders could conflict with our interests or the interests of our other Shareholders. While the actions carried out by our Company post-listing will be subject to Board and Shareholders' approvals, as required under the Companies Act, 2013, and the SEBI Listing Regulations, in the interest of our Company and its minority Shareholders and in compliance with the SEBI Listing Regulations, any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

38. ***Certain records of inter-se transfers involving the Promoters are not traceable. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future or that we will be subject to any penalty imposed by the competent regulatory authority in this regard.***

Records in relation to certain share transfers involving the Promoters are not traceable. These transfers include the gift deed in relation to the transfer of certain equity shares of our Company, that is, gift of 2,400 equity shares of face value of ₹10 each on July 1, 2006 , from R.S. Gajra to Kamal Khushlani and gift of 6,000 equity shares of face value of ₹10 each on July 1, 2006, from Indira Gajra to Kamal Khushlani on March 15, 2006, which are not traceable, despite conducting internal searches. Certain information in relation to such transfers has been disclosed in the section *"Capital Structure"* on page 76 of this Draft Red Herring Prospectus, on the basis of the details provided in the corporate records of our Company.

In relation to the above-mentioned gift deeds that are not traceable, we have relied on the secretarial audit report dated July 13, 2023 from S Pardeshi & Associates, Company Secretaries, basis review of the corporate filings made, and records maintained by our Company.

We cannot assure you that any legal proceedings or regulatory actions will not be initiated against our Company in future or that we will not be subject to any penalty imposed by any competent regulatory authority in this respect.

39. Any failure in obtaining or renewing approvals, licenses, registrations and permissions for our stores and warehouses to operate our business in a timely manner, or at all, may adversely affect our business, financial conditions and results of operations.

We are required to obtain certain approvals, licenses, registrations and permissions from regulatory authorities, to undertake our business operations. These approvals, licenses, registrations and permissions obtained for the purpose of our business may be subject to numerous conditions and are obtained by us for our EBOs which are company operated. In the event of failure to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or failure to comply with applicable conditions or breach of any such conditions, our license or registration or approval or permission for undertaking a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, financial conditions and results of operations. Few of our approvals may have expired in the ordinary course of business, for which either we have made the renewal applications or are in the process of making an application with the relevant authorities which are pending as of the date of this Draft Red Herring Prospectus.

For one of our operational Company operated EBO, situated at an airport, we are in the process of entering into a lease agreement. Accordingly, we are yet to make an application for the necessary approvals and licenses and the same shall be made in due course. We may not be able to enter into the lease agreement and procure the necessary approvals and licenses for this EBO which would affect the operations. We cannot assure you that we may not face any regulatory actions for carrying out operations at this EBO without valid approvals and licenses. We have further had instances where there have been delays in renewing the leases of our Company owned EBOs on account of operational issues which in turn affects timely renewal of the approvals and licenses. In case we fail to renew the lease of Company owned EBOs in a timely manner, or at all, it may adversely affect our business and results of operations. We cannot assure you that we will not have such operational issues in the future. Such delays in procurement of the necessary approvals and licenses may have an impact on the operation of such stores.

Further, in case of franchisee operated EBOs of the Company, the obligation to obtain the required licenses lies with the operators of the franchise EBOs. In case the franchise operators fail to obtain the necessary approvals such as shops and establishments license and trade license, it may result in adverse consequences such as imposition of penalties and potential closure of such EBOs which will have an impact on the operations of such EBOs.

For details in relation to the material approvals required for our business and the status of the same, see *"Government and Other Approvals"* on page 287. Further, for details of certain laws and regulations applicable to our business, see *"Key Regulations and Policies in India"* on page 164.

Further, we may have to apply for additional approvals and for renewal of existing approvals in the future, on expiry from time to time. We cannot assure you that the approvals and licenses which we have applied for, will be granted or renewed in a timely manner, or at all, by the relevant authorities. In case we fail to obtain or renew such approvals and licenses in a timely manner, then our operations may be deemed non-compliant with applicable laws and penalties may be imposed for non-compliance by such relevant authorities, and may also prevent us from carrying out our business. We have, in the past, carried on operations at some of our EBOs prior to receipt of renewed approvals and while no actions were taken or penalties were levied against us for the same, we cannot assure you that we may not face any regulatory actions in the future for carrying on operations without valid approvals and licenses. Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to legal action, compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the way we have been operating thus far.

40. There has been one instance of regulatory filings being delayed. Further, we had filed an application for compounding and paid compounding fees for certain non-compliance on account of delay in regulatory filing in the past.

Our Company has had, an instance in the past, where a regulatory filing was delayed. During the Financial Year ended March 31, 2020, our Company was unable to conduct its annual general meeting ("**AGM**") due to the nationwide lockdown imposed as a result of the COVID-19 pandemic. The AGM was subsequently held on March 1, 2021, causing a delay of 151 days. This resulted in violation of Section 96(1) of the Companies Act, 2013. Consequently, there was a delay in submitting the Form GNL-1 and resolutions related to the AGM to the RoC. Accordingly, an application dated July 3, 2021 was submitted by our Company, and our Promoters and Directors, namely, Kamal Khushlani, Poonam Khushlani, and our Independent Director, Amer Jaleel (*collectively*, "**Applicants**") before the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, ("**Regional Director**") to compound the aforesaid offence under Section 441 of the Companies Act, 2013. The Regional Directors directed the Applicants to pay compounding fee of ₹ 0.22 million, which was subsequently paid by the Applicants. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

41. ***Inability or failure to maintain adequate internal controls and compliances may adversely affect our ability to effectively manage our operations, resulting in operational errors or information lapses and in turn adversely affect our profitability.***

The success of our business largely depends on our ability to utilize our resources and maintain internal controls efficiently and effectively. We are responsible for ensuring internal audit functions for evaluation of the adequacy and effectiveness of internal control systems, comprising of proper management of our operations, safekeeping of assets and reliability of financial information of our Company, on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. While we believe that we have adequate internal control systems in place, we may need to improve our internal controls including, financial and management control processes, reporting systems and procedures and other internal controls and compliance procedures, from time to time, to meet our evolving business needs. If we are unable to improve our controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our operations resulting in errors or information lapses that affect our business operations. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected.

We are also subject to anti-corruption laws, such as Prevention of Corruption Act, 1988 and Prevention of Money Laundering Act, 2002, which prohibit us, our employees and intermediaries from actions such as bribery or making other prohibited payments to government officials or other persons to obtain or retain business or gain any kind of business advantages in an unlawful manner. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil proceedings, penalties may be levied on us, disgorgement, sanctions and remedial measures, along with legal expenses, which may have an adverse impact on our business, financial condition, results of operations and liquidity. However, there were no instances of non-compliances of the anti-corruption laws in the past. Similarly, any investigation against us in relation to any potential violations of anti-corruption laws by the relevant authorities may have an adverse impact on our business and reputation.

Risks related to our Promoters and Promoter Group

42. ***After the completion of the Offer, our Promoters along with the Promoter Group will continue to hold majority of the shareholding of our Company, which may allow them to influence the outcome of matters submitted for approval of our Shareholders.***

As on the date of this Draft Red Herring Prospectus, our Promoters hold 40,424,800 Equity Shares representing 61.46% and members of our Promoter Group hold of 3,828,000 Equity Shares representing 5.82% of our pre-Offer equity share capital, on a fully diluted basis. Our Promoters and Promoter Group together hold 67.28% of our pre-Offer equity share capital, on a fully diluted basis. For details in relation to their shareholding, see *"Capital Structure"* on page 76.

After the completion of the Offer, our Promoters along with the members of Promoter Group will continue to collectively hold the majority of the shareholding in our Company and will continue to exercise significant influence over the policies and affairs of our business and matters requiring approval of the Shareholders, including the composition of our Board, amendments to memorandum of association and articles of association, changes in the name of our Company or address of the Registered and Corporate Office, the approval of mergers, acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures or other matters requiring special resolution. This concentration of ownership also may delay, defer, or even prevent a change in control of our Company and may render few transactions more challenging or impossible without the support of the shareholders. Further, the trading price of our Equity Shares could be adversely affected if potential new investors are not inclined to invest in our Company because they perceive disadvantages due to a large shareholding being concentrated in our Promoters and Promoter Group.

The interests of the Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategies or to operate our business. For details in relation to the interests of our Promoters in the Company, see *"Our Promoters and Promoter Group", "Our Management"* and *"Restated Consolidated Financial Information"* on pages 192, 176 and 196 respectively.

43. ***We are excessively dependent on our Promoters, Directors, Key Managerial Personnel and Senior Managerial Personnel, and the loss of, or our inability to hire, train and retain qualified personnel could adversely affect our business, results of operations, and financial condition.***

Our ability to be competitive in the market depends on our ability to attract and retain qualified personnel. We are dependent on the continued efforts and contribution of our Promoters, namely, Kamal Khushlani and Poonam Khushlani, who have directed the growth of our Company and market dominance. We believe that inputs and experience of our Directors, Key Managerial Personnel and Senior Managerial Personnel are valuable for the growth and development of our business operations and the strategies taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. For further details on our Promoters, Directors, Key Managerial Personnel and Senior Managerial Personnel, see *"Our Management" and "Our Promoters and Promoter Group"* on pages 176 and 192.

The continued operations and growth of our business is dependent on our ability to attract and retain personnel. We will require a long period of time to hire and train the replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase the compensation of the employees more rapidly than that in the past to remain competitive in attracting employees that our business requires. The loss of the services provided by such personnel may have an adverse impact on our business, results of operations and cash flows. For details in relation to change in our key managerial personnel, see *"Our Management – Changes in the Key Managerial Personnel and Senior Managerial Personnel"* on page 191.

44. ***Our Promoters, Directors, Key Managerial Personnel and Senior Managerial Personnel are interested in our Company's performance in addition to their remuneration and reimbursement of expenses and there may be a potential conflict of interest of our Promoters or Directors against the interests of our Company.***

In addition to the regular benefits and remuneration paid, Promoters, Directors, Key Managerial Personnel and Senior Managerial Personnel of our Company are also interested in our Company to the extent of their shareholding in our Company, dividends, bonuses and other distributions. We cannot assure you that there will not be any conflict of interest between our Promoters, Directors, KMPs and SMPs and that of our Company. As shareholders of our Company, our Promoters, Directors, Key Managerial Personnel and Senior Managerial Personnel may take actions with respect to our business which may be in conflict with the interests of our Company or the minority shareholders. However, no instances of such conflict of interests have occurred in the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021. For further information on the interests of our Promoters, Directors, KMPs and SMPs other than their remuneration or reimbursement of expenses in the ordinary course of business, see *"Our Management"* and *"Our Promoters and Promoter Group"* on pages 176 and 192, respectively. For information in relation to the interests arising out of the franchise agreements entered into by the relatives of or KMPs and SMPs, see *"Our Management - Interests of Key Managerial Personnel and Senior Managerial Personnel"* on page 190.

Further, while our Promoters or Directors do not, as of the date of this Draft Red Herring Prospectus, engage in any other business activities similar to our business lines, we cannot assure you that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. Additionally, we cannot assure you that our Promoters or Directors will not undertake or acquire interests in competing ventures in the locations or segments in which we operate. Conflicts of interest may arise in the future, which may adversely affect our business, financial condition and results of operations.

<u>Other risks</u>

45. ***The industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Technopak Advisors Private Limited exclusively commissioned and paid for by us for our understanding of the industry exclusively in connection with the Offer.***

We have relied upon the industry report titled *"Industry Report on Men's Western Apparel in India"* dated July 11, 2023 ("**Technopak Report**") by Technopak Advisors Private Limited, appointed on January 12, 2023 for the purpose of including information in this Draft Red Herring Prospectus, and is exclusively commissioned by our Company for the purposes of inclusion of such information in the Offer Documents at a fee agreed to be paid by our Company. Given the scope and extent of the Technopak Report, disclosures are limited to certain excerpts and the Technopak Report has not been entirely reproduced in this Draft Red Herring Prospectus. Further, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on the information included in this Draft Red Herring Prospectus. Also see, "*Certain Conventions, Use of Financial, Information and Market Data and Currency of Presentation – Industry and Market Data*" on page 13.

46. ***We enter into certain related party transactions in the ordinary course of business, and we cannot assure you that such transactions will not have an adverse effect on our business, results of operations and financial condition.***

For the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, the details in relation to related party transactions of our Company is provided below:

(in ₹ million)

Particulars	**For the year ended**		
	March 31,2023	**March 31,2022**	**March 31,2021**
Advance against Investment			
Shares of KAPS Mercantile Private Limited purchased from			
Mr. Kamal Khushlani	-	0.05	-
Mrs. Poonam Khushlani	-	0.05	-
Remuneration			
Mr. Kamal Khushlani	36.20	29.55	7.34
Mrs. Poonam Khushlani	5.04	7.19	2.81
Ms. Sonakshi Khushlani	1.79	2.12	1.22
Mr. Andrew Khushlani	0.71	0.58	0.23
Mr. Rasik Mittal	10.00	10.00	6.32
Mr. Sanjay Kumar Mutha	-	-	-
Interest on loan			
Mr. Kamal Khushlani	0.06	0.06	0.05
Mrs. Poonam Khushlani	0.06	0.05	0.05
Reimbursement of Expenses			
Mr. Kamal Khushlani	0.87	0.77	0.04
Ms. Sonakshi Khushlani	-	-	0.02
Mr. Rasik Mittal	0.45	-	-
Interim Dividend Paid			
Mr. Kamal Khushlani	111.30	-	-
Mrs. Poonam Khushlani	90.82	-	-
Ms. Sonakshi Khushlani	9.57	-	-
Mr. Andrew Khushlani	9.57	-	-
Mr. Rasik Mittal	0.75	-	-
Share based payment			
Mr. Rasik Mittal	0.08	-	-
Sitting Fees			
Mr. Amer Jaleel	0.20	0.20	0.05
Related Party Outstanding balances			
Outstanding Loan			
Mr. Kamal Khushlani	-	0.31	0.31
Mrs. Poonam Khushlani	-	0.30	0.30
Interest accrued			
Mr. Kamal Khushlani	-	0.11	0.06
Mrs. Poonam Khushlani	-	0.11	0.06
Remuneration Payable			
Mr. Kamal Khushlani	12.25	8.93	0.14
Mrs. Poonam Khushlani	0.19	1.47	0.30
Ms. Sonakshi Khushlani	0.13	0.34	0.09
Mr. Andrew Khushlani	0.10	0.03	0.04

Particulars	For the year ended		
	March 31,2023	March 31,2022	March 31,2021
Mr. Rasik Mittal	0.71	1.22	0.62
Mr. Sanjay Kumar Mutha	-	-	-
Sitting Fees			
Mr. Amer Jaleel	0.05	0.05	0.05
Transactions and outstanding balances eliminated in the Restated Consolidated Financial Information			
In the Books of Credo Brands Marketing Limited			
Investment in Equity Share Capital			
KAPS Mercantile Private Limited	21.30	-	-
Security Deposit given/ (received back)			
KAPS Mercantile Private Limited	(20.00)	-	-
In the Books of KAPS Mercantile Private Limited			
Equity Share Capital			
Credo Brands Marketing Limited	21.30	-	-
Security Deposit (Received) / given back			
Credo Brands Marketing Limited	20.00	-	-
Outstanding balances			
In the Books of Credo Brands Marketing Limited			
Equity Share Capital			
KAPS Mercantile Private Limited	21.40	-	-
Security Deposit given			
KAPS Mercantile Private Limited	-	20.00	20.00
In the Books of KAPS Mercantile Private Limited			
Equity Share Capital			
Credo Brands Marketing Limited	21.40	-	-
Security Deposit Received			
Credo Brands Marketing Limited	-	20.00	20.00
Compensation of KMP			
Short-term benefits	53.74	49.44	17.92

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. All such related party transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions and have not been prejudicial to the interests of our Company. All related party transactions that we may enter into post-listing, will be subject to an approval by our Audit Committee, Board of Directors, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

For further details, see "*Summary of the Offer Document – Summary of related party transactions*" and "*Restated Consolidated Financial Information – Note 39 – Related party transactions and balances*" on pages 19 and 246 respectively.

47. ***Our Subsidiary has incurred losses in the past and may incur losses in the future, which may have an adverse effect on our business. Additionally, our Company has made 100% investment in the equity shares of our Subsidiary, which may be required to be written off, in the event of further losses, which may adversely impact our profitability and results of operations.***

Our Subsidiary has incurred losses in the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, as set out below:

(in ₹ million)

Subsidiary	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31, 2021

KAPS Mercantile Private Limited	(0.78)	(0.12)	(0.23)
Total	(0.78)	(0.12)	(0.23)

There is no assurance that our Subsidiary will not incur losses in the future which may have an adverse effect on our reputation and business.

Further, our Company has made 100% investment in the equity shares of our Subsidiary, KAPS Mercantile Private Limited. There can be no assurance that investments made by our Company in the future into our Subsidiary or any other entity will be value accretive or that we would not face losses on such investments.

In the event of further losses, we would be required to make investment write offs and any such impairment of investments could in turn adversely impact our profitability and results of operations. If the provision is made in the future on account of permanent decrease in the value of these investments, our profits would reduce to the extent of such provision. This may have an adverse effect on our financial condition and results of operations. For further details, see *"Restated Consolidated Financial Information"* on page 196.

48. ***Our Company may not be able to pay dividends in the future as our ability to pay dividends in the future depends on our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and terms of our financing arrangements. We cannot assure you that we will be able to pay dividends in the future.***

Our Board has adopted a dividend policy at their meeting held on June 26, 2023. For further information, see *"Dividend Policy"* on page 195. Any dividends declared and to be paid in the future are required to be recommended by our Board of Directors and approved by our shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable laws, including the Companies Act. Our ability to pay dividends will depend on the various factors identified in the dividend policy of our Company including our future earnings, results of operations, financial conditions, cash flows, working capital and capital expenditure requirements and other factors that the Board considers relevant, and external factors such as the state of the economy and applicable taxes including dividend distribution tax, regulatory changes and other factors considered relevant by the Board. We will not be able to assure you that we will generate sufficient revenues to cover our operating expenses, growth and expansion of our business and pay dividends to our Company's shareholders in the future, consistent with our past practices, or at all. Additionally, our ability to pay dividends may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed by our lenders. For details, see *"Financial Indebtedness"* on page 280. We cannot assure you that we will choose, or be able, to pay dividends in the future. For further details, see *"Dividend Policy"* beginning on page 195.

49. ***In this Draft Red Herring Prospectus, we have included certain Non-GAAP ("Generally Accepted Accounting Principles") financial measures and certain other industry measures related to our operations and financial performance. These Non-GAAP measures and industry measures may vary from any standard methodology applicable across the Indian retailing industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

Certain Non-GAAP financial measures such as EBITDA, EBITDA Margin, Net worth and Net Asset Value per equity share, etc. and certain other industry measures related to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance, as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian retail industry. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed in this Draft Red Herring Prospectus. For further details, see *"Other Financial Information"* on page 258.

These Non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, investors should not place undue reliance on the Non-GAAP financial information included in this Draft Red Herring Prospectus. For further information, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures"* on page 265.

50. ***Conflicts of interest may arise out of common business objects between Company and Subsidiary***

Conflicts may arise in the ordinary course of decision making by our Promoters or Board of Directors. Our wholly owned Subsidiary, namely, KAPS Mercantile Private Limited, is authorized to carry out, or engage in business similar to that of our Company, wherein, it is engaged in the business of manufacturing, import-export and retailing of clothing apparel for men, women and children. While we will adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

EXTERNAL RISK FACTORS

51. Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely impact our business, cash flows, financial condition and results of operations.

The economy and securities markets in India are influenced by economic developments and volatility in securities markets in other nations across the globe. Investors' responses to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative developments in the economy, such as increase in trade deficits, or a default on national debt, in other emerging countries may also affect investor confidence and cause increase in volatility in Indian securities markets and affect the Indian economy in general. Any financial instability across the globe may also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and may adversely affect our business, financial performance and the price of our Equity Shares.

Any other global economic developments or the probability of their occurrence may continue to have an adverse effect on global economic conditions and the stability of financial markets across the globe and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could decrease economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, cash flows, future financial performance, shareholders' equity and the price of our Equity Shares.

52. Any natural or man-made disasters, fires, pandemics or epidemics, acts of war, terrorism, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as floods and earthquakes), epidemics, pandemics such as COVID-19, and man-made disasters, including acts of war, terrorism, and other events, which are beyond our control, may lead to economic instability, in India and other nations globally, which may materially and adversely affect our business, financial condition, and results of operations. Recent developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India.

Our operations may be adversely affected by fires, natural disasters, and 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 may have a negative effect on our business operations. Such events could also create a perception that investment in Indian companies involves a higher degree of risk and may have an adverse effect on our business and the price of the Equity Shares. Several countries in the world, including India, are vulnerable to infectious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1, and H1N1 strains of influenza in birds and swine and more recently, the SARS-CoV-2 virus. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares of our Company.

53. A slowdown in economic growth in India or political instability could adversely affect our business.

Our performance and the growth of our business are significantly dependent on the health of the overall Indian economy. In the recent past, the Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances may affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing various changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, in the future may have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which may adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India may adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and may have a significant impact on our results of operations.

Changing demand patterns and economic volatility and uncertainty could have a material adverse impact on our business, financial conditions, and results of operations.

54. ***Downgrading of India's sovereign debt rating by an international rating agency could have an adverse impact on our business and results of operations.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any downfall in the credit ratings for India and other jurisdictions we operate in, by international rating agencies may adversely impact our ability to raise additional finances. This may have an adverse effect on our ability to fund our growth on favourable terms and adversely affect our business operations, financial performance and the price of the Equity Shares.

55. ***Changes in laws, rules and regulations and legal uncertainties including taxation laws, their interpretation, such changes may significantly affect our financial statements.***

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or regulations that may affect the industry in which we operate and may lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of prices of raw materials and thereby increase our operational cost. For details on the laws applicable to us, see "*Key Regulations and Policies in India*" on page 164.

With the implementation of Good & Services Tax ("**GST**"), we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilise input credit under GST, the entire value chain has to be GST compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our suppliers and dealers will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business and results of operations. Any dividend distributed by a domestic company is subject to Dividend Distribution Tax ("**DDT**") in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

The Finance Bill, 2023 received assent from the President on India on March 31, 2023, post which it has become the Finance Act, 2023. Further, the Government of India has enacted certain provisions under the Finance Act, 2023 with effect from April 1, 2023, pursuant to the announcement of the Union Budget for Financial Year 2024. The remaining provisions of the Finance Act, 2023 shall come into effect on the date that the Central Government may, by notification, appoint. The Finance Act, 2023 provides various amendments to the taxation laws in India. There is no certainty on the impact of the Finance Act, 2023 and any amendments made to it in the future, may have on our business operations or the industry in which we operate. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Further it may also impact the viability of our current businesses or restrict our ability to grow our businesses in the future. We may incur increase in expenses relating to compliance with such new requirements which may require support from our management and other resources and failure to comply may adversely affect our business and results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to or change in governing laws, regulations or policies, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming and costly of us to resolve and may affect our ability to grow our business in the future.

The Government of India has passed new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, respectively which were to take effect from April 1, 2021 (collectively, the "**Labour Codes**"). The Government of India has deferred the effective date of the Labour Codes and they shall come into force from such date as may be notified by the Government. Further, the Code on Social Security, 2020 ("**Social Security Code**") will impact overall employee expenses and, in turn, could impact the profitability of our Company. Under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government), of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

56. Non-compliance with existing or changes to environmental, health and safety, labour laws and other applicable regulations by us or our manufacturing partners may adversely affect our business, financial condition, results of operations and cash flows.

Our operations, such as warehousing and manufacturing activities through our manufacturing partners, are subject to extensive laws and government regulations, including in relation to safety, health and environmental protection. We, as well as such manufacturing partners, are subject to the laws and regulations governing relationships with employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour, work permits, maintenance of regulatory and statutory records and making periodic payments. See "*Key Regulations and Policies in India*" on page 164. We and such manufacturing partners may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. We and such manufacturing partners may become involved or liable in litigation or other proceedings and consequently incur increased costs or penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

We have incurred and expect to continue incurring costs for compliance with all applicable health and safety, and labour laws and regulations. We cannot assure you that we and such manufacturing partners will be able to comply with all applicable environmental, health, safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of our production and operations. We may, in future, be held liable for any regulatory lapses and non-compliances and incur increased costs or be subject to penalties, which are not covered by the insurance we currently carry. Any of the above may adversely affect our business, financial condition, results of operations and cash flows.

In addition, we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. Most of these approvals are granted for a limited duration and require renewal. Further, while we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. For details of such approvals, including the approvals and registrations that we have applied for and are pending renewal or have not applied for see "*Government and Other Approvals*" on page 287.

57. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian economy and markets are influenced by economies and market conditions in other countries across the globe. Economic instability in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any financial instability across the globe may increase volatility in the Indian markets, directly or indirectly, and adversely affect the Indian economy. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world may influence other nations and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, issues pertaining to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

These developments, or the probability that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

58. In case of rise in inflation in India, we may not be able to increase the price of our products at a proportional rate thereby reducing our margins.

India has experienced high inflation in the recent past. Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation may lead to an increase in interest rates and increased costs of logistics, wages, raw materials and other expenditure incurred in our business operations. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. We may be unable to reduce our costs or entirely offset any increases in costs with increases in prices for our products, wherein, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that inflation levels in India will not worsen in the future.

59. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India (the "**CCI**") to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

The combination regulation (merger control) provisions under the Competition Act require that the acquisition of shares, voting rights, assets or control or mergers or amalgamations which exceed any of the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. Any breach of the provisions of the Competition Act by our Company may attract substantial monetary penalties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, certain agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

60. Significant differences exist between Ind AS ("Indian Accounting Standards") and other accounting principles, such as U.S. GAAP ("Generally Accepted Accounting Principles in the United States of America") and IFRS ("International Financial Reporting Standards"), which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Restated Consolidated Financial Information for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisors for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

61. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.

Our Company is a company incorporated under the laws of India and all of our Directors are located in India. All our assets, our Key Managerial Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. To be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian

Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

62. Our Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. The Offer Price, market capitalization to revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Company on listing or thereafter.

Prior to the Offer, there has been no public market for the Equity Shares, and after the Offer, an active trading market for the Equity Shares may not develop. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares has been determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, actual or anticipated fluctuations in our operating results, the public's reaction to our press releases, other public announcements and filings with the regulator, changes in senior managerial or key managerial personnel, changes in our shareholder base, changes in accounting standards, policies, guidance, interpretations or principles and changes in economic, legal and other regulatory factors.

Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all their investment.

The Offer Price of the Equity Shares is proposed to be determined by the Company and Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through a book-building process, and certain quantitative and qualitative factors, including as set out in the section titled "*Basis for Offer Price*" on page 99 and the Offer Price, multiples and ratios may not be indicative of the market price of the Company on listing or thereafter. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, our competitors launching new products or superior products, COVID-19 related or similar situations, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

RISKS RELATING TO THE EQUITY SHARES AND THIS OFFER

63. The average cost of acquisition of Equity Shares by the Promoters and the Selling Shareholders may be less than the Offer Price.

The average cost of acquisition of Equity Shares by the Promoters and the Selling Shareholders may be less than the Offer Price. The details of the average cost of acquisition of Equity Shares held by the Promoters and Selling Shareholders are set out below:

S. No	Name of the Promoter Selling Shareholders	No. of the Equity Shares	Average cost of acquisition per Equity Shares of ₹ 2 each (in ₹)*
1.	Kamal Khushlani	22,260,420	8.48
2.	Poonam Khushlani	18,164,380	0.16
S. No	**Name of the Promoter Group Selling Shareholders**	**No. of the Equity Shares**	**Average cost of acquisition per Equity Shares of ₹ 2 each (in ₹)***
1.	Sonakshi Khushlani	1,914,000	Nil
2.	Andrew Khushlani	1,914,000	Nil
S. No.	**Name of the Other Selling Shareholders**	**No. of the Equity Shares**	**Average cost of acquisition per Equity Shares of ₹ 2 each (in ₹)***
1.	Concept Communication Limited	2,032,260	7.75
2.	Bela Properties Private Limited	5,031,260	46.99
3.	Jay Milan Mehta	1,970,220	5.71
4.	Sagar Milan Mehta	1,970,220	5.71

** As certified by Dileep & Prithvi, Chartered Accountants, by way of certificate dated July 13, 2023. For further details, see "Summary of the Offer Document" on page 16.*

64. *We have issued Equity Shares during the preceding 12 months at prices that may be lower than the Offer Price. We cannot assure you that we will not issue Equity Shares in the future at a price lower than the Offer Price.*

We have issued Equity Shares at prices that may be lower than the Offer Price in the last 12 months preceding the filing of this Draft Red Herring Prospectus, by way of issuing bonus shares. For further details, see *"Capital Structure"* on page 76. The price at which our Company has issued the Equity Shares in the past is not indicative of the price at which they will be issued or traded. We cannot assure you that the Equity Shares to be issued in the future will be at or lower than the Offer Price.

65. *Our Company will not receive any proceeds from the Offer for Sale and the proceeds from the Offer for Sale will be paid to the Selling Shareholders.*

The Offer comprises of an Offer for Sale aggregating to 19,634,960 Equity Shares by the Selling Shareholders. All Offer related expenses will be solely borne by the Selling Shareholders in accordance with applicable law, including Section 28(3) of the Companies Act, 2013, other than the listing fees which will be solely borne by the Company. All expenses relating to the Offer shall be paid by the Company on behalf of the Selling Shareholders in the first instance, until the date of listing of equity shares. All expenses shall be deducted from the Offer proceeds and only the balance amount shall be paid to the Selling Shareholders in proportion to the Offered Shares. In the event the Offer is withdrawn or unsuccessful, each Selling Shareholder shall reimburse the Company for any expenses incurred by the Company on behalf of such Selling Shareholder as mutually agreed.

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

We are not a listed company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs associated with being a listed company by shareholders, regulators, and the public at large. As a listed company, we will incur significant legal, accounting, corporate governance, and other expenses that we did not previously incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports of our business and financial conditions. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may be unable to readily determine and accordingly report any changes in our results of operations or cash flows as promptly in comparison to the other listed companies.

Furthermore, as a listed company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional staff with appropriate experience and technical legal and accounting knowledge for our legal and accounting departments, but we cannot assure you that we will be able to do so in a timely and efficient manner.

67. *An investment in the Equity Shares is subject to general risks related to investments in Indian companies.*

We are incorporated in India and a majority of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

68. The trading volume and market price of the Equity Shares of our Company may be volatile following the Offer.

The market price of the Equity Shares of our Company may fluctuate as a result of various factors, few of which are mentioned below, some of which are beyond our control:

(a) quarterly variations in our results of operations;

(b) results of operations that vary from the expectations of securities analysts and investors;

(c) results of operations that vary from those of our competitors;

(d) changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;

(e) a change in research analysts' recommendations;

(f) announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;

(g) announcements by third parties or governmental entities of significant claims or proceedings against us;

(h) new laws and governmental regulations applicable to our industry;

(i) additions or departures of key management personnel;

(j) changes in exchange rates;

(k) fluctuations in stock market prices and volume; and

(l) general economic and stock market conditions.

Any changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares of our Company.

69. Any fluctuation in the exchange rates between Indian and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

Upon listing of our Equity Shares, they will be quoted in Indian Rupees on the Stock Exchanges. Any dividends with respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse development in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

70. Investors may be subject to taxes arising out of capital gains on sale of Equity Shares in India.

Under the present Indian tax regime, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

The GoI has notified the Finance Act, 2020 ("**Finance Act 2020**") which stipulates that the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act 2020 also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. Further, the Finance Act, 2021, which followed, removed the requirement for DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

Further, the Government of India has enacted certain provisions under the Finance Act, 2023 with effect from April 1, 2023, pursuant to the announcement of the Union Budget for Financial Year 2024. The remaining provisions of the Finance Act, 2023 shall come into effect on the date that the Central Government may, by notification, appoint. The Finance Act, 2023 provides various amendments to the taxation laws in India. There is no certainty on the impact of the Finance Act, 2023 and any amendments made to it in the future, may have on our business operations or the industry in which we operate. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation, or implementation of any amendment to or change in governing laws, regulations or policies, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming and costly of us to resolve and may affect our ability to grow our business in the future.

71. Investors may not be able to immediately sell the Equity Shares purchased in the Offer on any Indian Stock Exchange.

The Equity Shares of our Company will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the commencement of listing and trading of the Equity Shares. Investors' demat accounts with the depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

72. Any issuance of Equity Shares or convertible securities or other equity linked instruments by our Company in the future may dilute your shareholding and sale of Equity Shares by shareholders holding significant shares may adversely affect the trading price of the Equity Shares in the market.

We may, in the future, require refinancing the growth of our Company via future equity offerings in the market. Any future equity issuances by our Company, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sale of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares in the market, which may cause adverse implications including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. Additionally, any perception by investors that such issuances may occur may also affect the market price of our Equity Shares. There is no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Foreign ownership of Indian securities is subject to Government regulation. Under the consolidated foreign direct investment policy (effective from October 15, 2020) ("**FDI Policy**"), the Government of India has prescribed specific requirements and conditionalities with respect to the level of foreign investment permitted in certain business sectors both without prior regulatory approval (the "**Automatic Route**") and with prior regulatory approval (the "**Approval Route**"). Our Company is involved in brand retail sector which falls under the Approval Route. This may restrict our ability to raise capital in the future or in the ability of foreign investors to purchase Equity Shares of our Company.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 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 of India.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any terms or at all. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 332.

74. Determination of the Price Band is based on various factors and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers ("BRLMs") is below their respective issue prices.

The Price Band for the Offer is determined basis various factors and assumptions, by our Company in consultation with the BRLMs. Further, the Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. These will be based on various factors, including factors as described under "*Basis for Offer Price*" on page 99 and may not be indicative of the market price for the Equity Shares after the Offer.

Additionally, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on page 295. The factors that may affect the market price of the Equity Shares include, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop, or continuous trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

75. Non-Institutional Bidders and Qualified Institutional Bidders ("QIBs") are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/Offer Closing Date.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Bidders can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/ Offer Closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Offer, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment.

We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

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

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

77. ***Your ability to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Draft Red Herring Prospectus.***

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction, other than India. As such, the Equity Shares of our Company have not and will not be registered under the U.S. Securities Act, any state securities laws, or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. The investors are required to inform themselves about and observe these restrictions. We, our representatives, and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

78. ***A third party may be prevented from acquiring control of us post this Offer, pursuant to anti-takeover provisions under the Indian Law.***

As a listed Company in India, there are provisions laid down under Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company after completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

79. ***The rights of the shareholders of Companies under Indian law may be more restrictive compared to laws of other jurisdictions.***

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

SECTION IV: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

The Offer comprises of:	
Offer of Equity Shares by way of Offer for Sale by the Selling Shareholders [(1)(2)]	Up to 19,634,960 Equity Shares, aggregating up to ₹ [●] million
which includes:	
A) QIB Portion [(3)(4)]	Not more than 9,817,480 Equity Shares up to ₹ [●] million
of which:	
(i) Anchor Investor Portion	Up to 5,890,488 Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	3,926,992 Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	196,350 Equity Shares
(b) Balance of the Net QIB Portion for all QIBs including Mutual Funds	3,730,642 Equity Shares
B) Non-Institutional Portion[(4)(5)]	Not less than 2,945,244 Equity Shares up to ₹ [●] million
of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000	981,748 Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000	1,963,496 Equity Shares
C) Retail Portion[(4)(5)]	Not less than 6,872,236 Equity Shares up to ₹ [●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	64,301,880 Equity Shares
Equity Shares outstanding after the Offer	64,301,880 Equity Shares
Use of Offer Proceeds	See "*Objects of the Offer*" on page 96. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Offer has been authorised by our Board of Directors pursuant to the resolution passed at their meeting on July 13, 2023. Our Board has taken on record the participation of the Selling Shareholders in the Offer for Sale pursuant to a resolution dated July 13, 2023.

(2) The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	***Aggregate number of Equity Shares being offered in the Offer for Sale***	***Date of corporate approval***	***Date of consent letter***
Kamal Khushlani	*Up to 4,140,000 Equity Shares*	*NA*	*July 7, 2023*
Poonam Khushlani	*Up to 4,275,000 Equity Shares*	*NA*	*July 7, 2023*
Sonakshi Khushlani	*Up to 108,000 Equity Shares*	*NA*	*July 7, 2023*
Andrew Khushlani	*Up to 108,000 Equity Shares*	*NA*	*July 7, 2023*
Concept Communication Limited	*Up to 2,032,260 Equity Shares*	*May 26, 2023*	*July 7, 2023*
Bela Properties Private Limited	*Up to 5,031,260 Equity Shares*	*June 13, 2023*	*July 7, 2023*
Jay Milan Mehta	*Up to 1,970,220 Equity Shares*	*NA*	*July 7, 2023*
Sagar Milan Mehta	*Up to 1,970,220 Equity Shares*	*NA*	*July 7, 2023*

(3) Our Company and the Promoter 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 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 in the Anchor Investor Portion, the remaining Equity Shares shall be added to the 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 details, see "Offer Procedure" on page 312.

(4) Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

(5) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Investors, 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, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third portion of the Non-Institutional Category will be available for allocation to the NIBs with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-third portion of the Non-Institutional Category will be available for allocation to the NIBs with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to the NIBs in the other sub-category of Non-Institutional Category. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. The allocation to each Non-Institutional Bidder shall not be less than ₹ 200,000 subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. For details, see "Offer Procedure" on page 312.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Consolidated Financial Information.

The Restated Consolidated Financial Information has been prepared, based on financial statements as at and for the Fiscals 2023, 2022 and 2021. The Restated Consolidated Financial Information have been prepared in accordance with Ind AS and the Companies Act 2013, restated in accordance with the SEBI ICDR Regulations and are presented in the section entitled *"Restated Consolidated Financial Information*" on page 196.

The summary financial information presented below should be read in conjunction with the sections entitled *"Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 196 and 260, respectively.

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RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

	Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
A	**ASSETS**			
	Non-current assets			
	Property, plant and equipment	615.36	402.83	386.86
	Right of use asset	1,731.27	1,371.25	1,265.12
	Capital work-in-progress	2.08	5.58	4.35
	Investment Property	16.66	17.04	17.42
	Intangible assets	3.76	1.38	1.93
	Financial assets			
	Investments	-	-	-
	Other financial assets	126.83	151.10	158.92
	Deferred tax assets (net)	202.52	157.90	120.03
	Non-current tax assets	15.02	18.85	1.10
	Other non-current assets	154.85	116.55	85.21
	Total non-current assets	**2,868.35**	**2,242.48**	**2,040.94**
	Current assets			
	Inventories	1,134.03	657.38	586.09
	Financial assets			
	Investments	-	-	-
	Trade receivables	1,373.11	1,235.87	1,224.24
	Cash and cash equivalents	81.35	506.54	252.48
	Other bank balances	7.72	7.52	7.20
	Other financial assets	80.31	34.90	11.16
	Other current assets	199.93	75.80	47.79
	Total current assets	**2,876.45**	**2,518.01**	**2,128.96**
	Total assets	**5,744.80**	**4,760.49**	**4,169.90**
B	**EQUITY AND LIABILITIES**			
	Equity			
	Equity share capital	32.15	31.92	31.92
	Other equity	2,781.36	2,325.34	1,891.41
	Total equity	**2,813.51**	**2,357.26**	**1,923.33**
	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	Borrowings	67.55	100.79	134.04
	Lease liabilities	1,512.41	1,111.11	1,045.98
	Other financial liabilities	355.36	316.46	281.51
	Provisions	38.16	35.35	42.27
	Total non-current liabilities	**1,973.48**	**1,563.71**	**1,503.80**
	Current liabilities			
	Financial liabilities			
	Borrowings	33.24	33.85	18.23
	Lease liabilities	305.94	296.73	243.03
	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	118.26	85.11	57.32
	Total outstanding dues of creditors other than micro enterprises and small enterprises	306.42	281.40	289.61
	Other financial liabilities	23.30	10.60	10.21
	Provisions	25.83	18.27	23.74
	Current tax liabilities (net)	-	-	28.36
	Other current liabilities	144.82	113.56	72.27
	Total current liabilities	**957.81**	**839.52**	**742.77**
	Total liabilities	**2,931.29**	**2,403.23**	**2,246.57**
	Total equity and liabilities	**5,744.80**	**4,760.49**	**4,169.90**

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in million)

	Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
1	Revenue from operations	4,981.82	3,411.72	2,448.26
2	Other Income	111.40	136.63	163.28
3	**Total Income (1+2)**	**5,093.22**	**3,548.35**	**2,611.54**
4	**Expenses**			
	Cost of materials consumed	278.47	157.68	150.96
	Purchases of stock-in-trade	2,308.79	1,379.84	1,098.56
	Changes in inventories of finished goods and stock-in-trade	(467.85)	(66.85)	0.87
	Employee benefits expense	267.63	291.76	218.33
	Finance costs	177.48	150.42	167.20
	Depreciation and amortization expense	534.30	458.85	440.81
	Other expenses	956.28	698.32	494.73
	Total expenses	**4,055.10**	**3,070.02**	**2,571.46**
5	**Restated Profit before tax (3-4)**	1,038.12	478.33	40.08
6	**Tax expense**			
	Current tax	309.05	187.38	50.01
	Short/(excess) provision of income tax of earlier years	(1.42)	(6.52)	(6.16)
	Deferred tax	(44.65)	(59.93)	(38.18)
	Total tax expense	**262.98**	**120.93**	**5.67**
7	**Restated Profit for the year (5-6)**	775.14	357.40	34.41
8	**Other comprehensive income**			
	Other comprehensive income			
A	**Items that will not be re-classified to profit or loss**			
	Re-measurement gain / (loss) on defined benefit liability	0.13	9.06	6.62
	Tax related to above item	(0.03)	(2.28)	(1.67)
		0.10	6.78	4.95
	Total comprehensive income of the year (net of tax)	**0.10**	**6.78**	**4.95**
	Total restated comprehensive income / (expense) of the year	**775.24**	**364.18**	**39.36**
	Earnings per share face value of ₹2 each fully paid up			
	Basic earnings per share (in ₹)	12.06	5.60	0.54
	Diluted earnings per share (in ₹)	12.06	5.56	0.54

RESTATED SUMMARY STATEMENT OF CASH FLOWS

(₹ in million)

	Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
A	**Cash flows from operating activities**			
	Restated Profit before tax	1,038.12	478.33	40.08
	Adjustments for:			
	Depreciation and amortization expenses	534.30	458.85	440.81
	Interest income on financial assets	(22.50)	(27.42)	(13.60)
	Rental income on investment property	(4.25)	(2.66)	(1.48)
	Finance cost	146.21	132.23	155.17
	Loss on property, plant and equipment sold/scrapped/written off	4.05	6.31	11.60
	Allowance for expected credit loss and doubtful deposits	10.84	111.60	0.10
	Share based payments to employees	2.29	11.30	6.72
	Bad debts written off	0.23	-	-
	Security deposits written off	4.88	-	-
	Sundry balances (written back)/written off	(3.00)	(0.08)	(0.01)
	Excess Provision written back	(29.25)	(2.60)	-
	Covid-19 related rent concessions	(3.58)	(79.20)	(135.78)
	Operating cash flows before working capital changes	1,678.34	1,086.66	503.61
	Working capital adjustments			
	Decrease/ (increase) in inventories	(476.65)	(71.29)	14.35
	Decrease/ (increase) in trade receivables	(117.63)	(115.51)	202.48
	Decrease/ (increase) in other financial assets	(14.31)	(2.22)	14.30
	Decrease/ (increase) in other current assets	(124.13)	(28.06)	28.83
	Decrease/ (increase) in non-current assets	(40.25)	(43.22)	(8.77)
	(Decrease)/ increase in trade payables	58.92	21.68	134.19
	(Decrease)/ increase in other current liabilities	31.63	29.17	(52.24)
	(Decrease)/ increase in other financial liabilities	23.45	106.43	134.57
	(Decrease)/ increase in provisions	12.75	(2.74)	(13.47)
	Cash generated from operations	1,032.12	980.90	957.85
	Less: Income tax paid (net)	(308.02)	(197.08)	(1.47)
	Net cash generated from operating activities (A)	**724.10**	**783.82**	**956.38**
B	**Cash flows from investing activities**			
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(341.48)	(152.25)	(59.08)
	Purchase of intangible assets	(3.06)	(0.06)	(0.21)
	Proceeds from sale of property, plant and equipment	0.53	0.35	0.30
	Investment made in Subsidiary	-	(0.10)	-
	In demand deposit accounts – Having maturity more than 3 months	139.74	(140.14)	(3.70)
	Interest income on financial assets	9.17	10.00	2.09
	Rental income on investment property	4.25	2.66	1.48
	Net cash used in investing activities (B)	**(190.85)**	**(279.54)**	**(59.12)**
C	**Cash flows from financing activities**			
	Proceeds from Long term borrowings	-	-	5.23
	Repayment of Short term borrowings	(33.85)	(17.63)	(287.31)
	Proceeds from issue of shares under employee stock options scheme	0.23	-	-

	Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
	Repayment of lease liabilities	(432.62)	(342.35)	(335.85)
	Interest paid	(30.96)	(30.38)	(42.99)
	Dividend paid	(321.51)	-	-
	Net cash used in financing activities (C)	**(818.71)**	**(390.36)**	**(660.92)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(285.46)**	**113.92**	**236.34**
	Cash and cash equivalents at the beginning of the year	362.70	248.78	12.44
	Cash and cash equivalents at the end of the year	**77.24**	**362.70**	**248.78**
	Cash and cash equivalents as above comprise of the following			
	Cash in hand	4.61	4.37	4.92
	Balances with bank			
	In current accounts	72.63	58.23	43.86
	In demand deposit accounts – Having maturity less than 3 months	-	300.10	200.00
	Total cash and cash equivalents	**77.24**	**362.70**	**248.78**

GENERAL INFORMATION

Our Company was incorporated as a private limited company in the name of 'Credo Brands Marketing Private Limited' in Mumbai, Maharashtra under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 29, 1999 issued by the RoC. Subsequently, our Company was converted from a private limited company to a public limited company and the name of our Company was changed to 'Credo Brands Marketing Limited'' pursuant to a board resolution dated April 7, 2023, and a special resolution passed by our shareholders on April 18, 2023, consequent to which a fresh certificate of incorporation dated May 11, 2023 was issued by the RoC.

Registered and Corporate Office

The address and certain other details of our Registered and Corporate Office is as follows:

Credo Brands Marketing Limited
B-8, MIDC Central Road,
Marol, Next to MIDC Police Station,
Andheri (E), Mumbai- 400 093
Maharashtra, India.
Telephone: +91 22 6141 7200
E-mail: investorrelations@mufti.in
Website: www.credobrands.in
Corporate Identification Number: U18101MH1999PLC119669

Company Registration Number: 119669

For details of changes in the registered office of our Company, see "*History and Certain Corporate Matters- Changes in Registered Office*" on page 170.

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies, Maharashtra at Mumbai
100, Everest,
Marine Drive,
Mumbai-400002,
Maharashtra, India

Company Secretary and Compliance Officer

Sanjay Kumar Mutha
B 8, MIDC Central Road,
Marol, Next to MIDC Police Station,
Andheri (E)– Mumbai - 400093,
Maharashtra, India.
Telephone: +91 22 6141 7200
E-mail: investorrelations@mufti.in

Board of Directors

As on the date of this Draft Red Herring Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Address
Kamal Khushlani	Chairman and Managing Director	00638929	Flat no. 111/121, Narain Terraces, Union Park Road, Bandra West, Mumbai - 400050
Poonam Khushlani	Whole-time Director	01179171	Flat no. 111/121, Narain Terraces, Union Park Road, Bandra West, Mumbai - 400050
Dr. Manoj Nakra	Non-Executive Director	08566768	W5 A20 Mandiram Puttaparthi, Prasanthinilayam, Ananthapur, Andhra Pradesh – 515 134.
Amer Jaleel	Independent Director	03194596	1102, Serenity Towers 2nd Hasnabad Lane, Near Khar Subway, Santacruz West, Andheri Mumbai Suburban, Mumbai, 400054, Maharashtra, India
Paresh Bambolkar	Independent Director	00260136	2103/5, Raheja Classique, Link Road Oshiwara, Near Infinity Mall, Andheri West, Mumbai 400 061
Ramona Jogeshwar	Independent Director	10100012	Flat no. 602-A, Benston, S. Rajan Road, Off Carter Road, Bandra West, Mumbai – 400050.

For brief profiles and further details of our Board of Directors, see "*Our Management - Details regarding our Board of Directors*" on page 176.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus is being filed electronically through SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai. A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act shall be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act shall be filed at the office of RoC at 100, Everest, Marine Drive, Mumbai - 400002, Maharashtra, India and through the electronic portal at https://www.mca.gov.in.

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances, including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, telephone /mobile number, email address, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Managers where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

DAM Capital Advisors Limited
One BKC, Tower C,
15th Floor, Unit No. 1511,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Maharashtra, India
Telephone: +91 22 4202 2500
E-mail: mufti.ipo@damcapital.in
Investor grievance e-mail: complaint@damcapital.in
Website: www.damcapital.in
Contact person: Chandresh Sharma
SEBI registration no.: MB/INM000011336

ICICI Securities Limited
ICICI Venture House, Appasaheb Marathe Marg
Prabhadevi, Mumbai - 400 025
Maharashtra, India
Telephone: +91 22 6807 7100
E-mail: mufti.ipo@icicisecurities.com

Investor grievance e-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Namrata Ravasia/Gaurav Mittal
SEBI registration no.: INM000011179

Keynote Financial Services Limited*
The Ruby, 9th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai 400 028,
Maharashtra, India
Telephone: +91 22 6826 6000
E-mail: mbd@keynoteindia.net
Investor grievance e-mail: investors@keynoteindia.net
Website: www.keynoteindia.net
Contact person: Radha Kirthivasan **/**Sunu Thomas
SEBI registration no.: INM000003606

*****In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, Keynote Financial Services Limited will be involved only in marketing of the Offer. Keynote Financial Services Limited has signed the due diligence certificate and has been disclosed as a BRLM for the Offer. Keynote Financial Services Limited is an associate of one of the Selling Shareholders, namely, Concept Communication Limited.*

Syndicate Members

[●]

Legal Counsel to the Company

J. Sagar Associates
Vakils House,
18 Sprott Road, Ballard Estate,
Mumbai 400 001
Tel: +91 2243418600

Statutory Auditors to our Company

Deloitte Haskins and Sells LLP
One International Center, Tower 3,
27th - 32nd Floor, Senapati Bapat Marg,
Elphinstone Road (West), Mumbai-400 013
Tel: +91 22 6185 4000
E-mail: jopretto@DELOITTE.com
Firm registration no.: 117366W/W-100018
Peer review certificate no.: 013179

Changes in auditors

There have been no changes in our statutory auditors during the last three years preceding the date of this Draft Red Herring Prospectus.

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 810 811 4949
E-mail: credobrands.ipo@linkintime.co.in
Investor grievance e-mail: credobrands.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration no.: INR000004058

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Banks(s)

[●]

Bankers to our Company

YES Bank Limited 13-103, Western Express Hwy, Anand Nagar, Vakola, Santacruz East, Mumbai – 400 055. Maharashtra, India. **Tel**: +91 (22) 3366 9000 **E-mail**: communications@yesbank.in **Contact Person**: Rahul Lala	**Axis Bank Limited** Axis House, 7th Floor, Wadia International Centre **Tel:** +91 96194 60461 **E-mail**: amit1.bhavsar@axisbank.com **Contact Person**: Amit Bhavsar
HDFC Bank Limited Emerging Corporates Group, Peninsula Business Park, Tower B, 4th Floor, Unit No. 401 & 402, Lower Parel, Mumbai – 400 013. **Tel**: +91 (22) 3395 8000 **E-mail**: nishant.shah1@hdfcbank.com **Contact Person**: Nishant Shah	**Kotak Mahindra Bank Limited** 27 Bkc, Bandra Kurla Complex, Bandra East **Tel**: +91 22 6218 5535 **E-mail**: Smeseso.mumbai@kotak.com **Contact Person**: Anirban Chaudhary

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI mechanism may only apply through the SCSBs and mobile applications (apps) using the UPI handles whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e, through the Registered Brokers at the Broker Centre's. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

Registrar 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 on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products-services/initial-public-offerings-asba-procedures.htm, as updated from time to time.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated July 13, 2023 from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of the examination report dated June 26, 2023 relating to the Restated Consolidated Financial Information issued by them and included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Our Company has received written consent dated July 11, 2023 from Dileep & Prithvi, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered accountant to our Company. and in respect of the certificates including their report dated July 10, 2023 on the statement of special tax benefits issued by them and the details derived from the certificates and to be included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Consent dated July 13, 2023 from S Pardeshi & Associates, Company Secretaries, to include their name in this Draft Red Herring Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a practicing company secretary and in respect of the report issued by them, the details derived from the report and to be included in this Draft Red Herring Prospectus.

Monitoring Agency

As the Offer is an offer for sale of Equity Shares, our Company is not required to appoint a monitoring agency for this Offer.

Appraising Entity

No appraising entity has been appointed in relation to the Offer.

Credit Rating

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

IPO Grading

No credit rating agency registered with SEBI has been appointed for obtaining grading for the Offer.

Debenture Trustees

As the Offer relates to an offer of Equity Shares, the appointment of debenture trustee is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Inter-se allocation of responsibilities between the BRLMs

The following table sets forth the inter-se allocation of responsibilities for various activities amongst the BRLMs:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	DAM Capital, ISec	DAM Capital
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red	DAM Capital, ISec	DAM Capital

Sr. No.	Activity	Responsibility	Co-ordination
	Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI including finalisation of RHP, Prospectus, Offer Agreement, and Underwriting Agreements and RoC filing		
3.	Drafting and approval of all statutory advertisements	DAM Capital, ISec	DAM Capital
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI	DAM Capital, ISec, Keynote*	ISec
5.	Appointment of Printer, Registrar and Ad agency (including coordination of agreements to be entered with such parties)	DAM Capital, ISec	DAM Capital
6.	Appointment of all other intermediaries including Banker (s) to the Issue, sponsor bank, syndicate members, share escrow agent, monitoring agency, etc. (including coordination of all agreements)	DAM Capital, ISec	ISec
7.	Preparation of road show presentation and FAQs for the road show team	DAM Capital, ISec, Keynote*	ISec
8.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	DAM Capital, ISec, Keynote*	ISec
9.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules	DAM Capital, ISec, Keynote*	DAM Capital
10.	Conduct non-institutional marketing of the Offer	DAM Capital, ISec, Keynote*	Keynote*
11.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows; • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Finalising commission structure • Follow-up on distribution of publicity and Offer material including form, RHP / Prospectus and deciding on the quantum of the Offer material	DAM Capital, ISec, Keynote*	Keynote*
12.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, 1% security deposit	DAM Capital, ISec	DAM Capital
13.	Anchor co-ordination, anchor CAN, initiation of anchor allocation and submission of letters to regulators post completion of anchor allocation	DAM Capital, ISec	ISec
14.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholder	DAM Capital, ISec	ISec
15.	Management of escrow accounts, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc and finalization of Basis of Allotment advertisement. Post-Offer activities, which shall involve essential follow-up steps including, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, demat credit of shares, unblocking and refunds to investors and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, Sponsor Bank(s), SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of final post Offer report to SEBI.	DAM Capital, ISec	ISec

**In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, Keynote Financial Services Limited will be involved only in marketing of the Offer. Keynote Financial Services Limited has signed the due diligence certificate and has been disclosed as a BRLM for the Offer.*

Book Building Process

Book Building Process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band, minimum Bid Lot size will be decided by our Company and Promoter Selling Shareholders in consultation with the BRLMs, and advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and the Mumbai edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, 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 and Promoter Selling Shareholders in consultation with the BRLMs after the Bid/Offer Closing Date. For details see "*Offer Procedure*" on page 312.

All Bidders, except UPI Bidders and 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. Non-Institutional Bidders 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. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders 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. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to the Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer.

The Book Building Process and bidding process are in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

For further details on the method and procedure for Bidding, see "*Offer Structure*", "*Offer Procedure*" and *"Terms of the Offer"* on pages 308, 312 and 302, respectively.

Bidders should note that the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) final approval of the RoC after the Prospectus is filed with the RoC.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" on page 312.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed in accordance with applicable law, 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 and the Promoter Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered in the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, Address, Telephone No. and E- mail address of the Underwriters	Indicative No. of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company and the Selling Shareholders by the Underwriters), the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/ IPO Committee at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them in accordance with the Underwriting Agreement. Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Red Herring Prospectus, is set forth below:

(In ₹ except share data)

	Particulars	Aggregate nominal value at face value	Aggregate value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL**		
	70,000,000 Equity Shares of face value of ₹ 2 each (1)	140,000,000	[●]
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE AND AFTER THE OFFER#**		
	64,301,880 Equity Shares of face value of ₹ 2 each	128,603,760	[●]
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer for Sale of 19,634,960 Equity Shares aggregating to ₹ [●] million(2)(3)	39,269,920	[●]
D	**SECURITIES PREMIUM ACCOUNT**		
	Before and after the Offer		62,690,305

**To be updated upon finalization of the Offer Price.*

 # Post factoring the 1,469,960 options vested under ESOP Scheme 2020, the number of Equity Shares on a fully diluted basis will be 65,771,840 Equity Shares of face value of ₹ 2 each aggregating to equity share capital of ₹ 131,543,680.

(1) For details in relation to the changes in the authorized share capital of our Company in the last 10 years, see "History and Certain Corporate Matters—Amendments to the Memorandum of Association" on page 170.

(2) The Offer has been authorized by our Board pursuant to the resolutions passed at their meeting dated July 13, 2023. The Selling Shareholders, severally and not jointly, confirm that the Equity Shares being offered by the respective Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 13, 2023. The Selling Shareholders have confirmed and authorized their participation in the Offer for Sale.

(3) The Selling Shareholders, severally and not jointly, confirm that the Offered Shares have been held by the Selling Shareholders for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details on the authorization of the Selling Shareholders in relation to the Offered Shares, please see sections entitled "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 61 and 289, respectively.

Changes in the authorised share capital of our Company

For details of the changes to the authorised share capital of our Company in the past 10 years, see "*History and Certain Corporate Matters -Amendments to the Memorandum of Association of our Company*" on page 170.

Notes to the Capital Structure

1. **Equity Share Capital History of our Company**

The history of the Equity Share capital of our Company is provided in the following table:

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price/ conversion price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Details of allottees
April 29, 1999	200	10	10	Cash	Subscription to MoA	200	100 equity shares were allotted to Kamal Khushlani and 100 equity shares were allotted to Poonam Khushlani
December 13, 2002	10,000	10	10	Cash	Further issue	10,200	5,000 equity shares were allotted to Poonam Khushlani, 3,000 equity shares were allotted to Kavita Khushlani and 2,000 equity shares were allotted to Kamal Khushlani
July 14, 2003	189,800	10	10	Cash	Further issue	200,000	185,000 equity shares were allotted to Poonam

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price/ conversion price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Details of allottees
							Khushlani, 1,000 equity shares were allotted to Kavita Khushlani, 2,500 equity shares were allotted to Indira Gajra, 1,000 equity shares were allotted to Ram S. Gajra and 300 equity shares were allotted to Kamal Khushlani.
July 24, 2003	50,000	10	10	Cash	Further issue	250,000	50,000 equity shares were allotted to Poonam Khushlani.
July 13, 2005	350,000	10	-	-	Bonus issue at a ratio of 7:5	600,000	3,360 equity shares were allotted to Kamal Khushlani, 336,140 equity shares were allotted to Poonam Khushlani, 5,600 equity shares were allotted to Kavita Khushlani, 3,500 equity shares were allotted to Indira Gajra, 1,400 equity shares were allotted to Ram Gajra
March 15, 2006	160,000	10	10	Cash	Further issue	760,000	160,000 equity shares were allotted to Kamal Khushlani
April 30, 2006	18,333	10	100	Cash	Further issue	778,333	2,500 equity shares were allotted to Kamal Khushlani, 14,000 equity shares were allotted to Poonam Khushlani, 917 equity shares were allotted to Prashant Agarwal and 916 equity shares were allotted to Aman Agarwal.
October 1, 2006	972,916	10	-	-	Bonus issue of shares at a ratio of 5:4	1,751,249	220,825 equity shares were allotted to Kamal Khushlani, 642,800 equity shares were allotted to Poonam Khushlani, 12,000 equity shares were allotted to Kavita Khushlani, 48,646 equity shares were allotted to Prashant Agarwal, 48,645 equity shares were allotted to Aman Agarwal

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price/ conversion price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Details of allottees
November 30, 2006	21,949	10	100	Cash	Further issue	1,773,198	51 equity shares have been allotted to Kamal Khushlani, 10,948 equity shares were allotted to Prashant Agarwal and 10,950 equity shares were allotted to Aman Agarwal
January 31, 2007	197,022	10	114.20	Cash	Further issue	1,970,220	98,511 equity shares were allotted to Jay Milan Mehta and 98,511 equity shares were allotted to Sagar Milan Mehta
July 4, 2008 *	542,866	10	10	Cash	Further issue	2,513,086	392,866 equity shares were allotted to Kamal Khushlani and 150,000 equity shares were allotted to Poonam Khushlani
September 9, 2008*	114,268	10	10	Cash	Further issue	2,627,354	114,268 equity shares were allotted to Kamal Khushlani
September 19, 2008	135,484	10	155	Cash	Further issue	2,762,838	135,484 equity shares were allotted to Concept Communication limited
January 16, 2009	322,800	10	309.77	Cash	Further issue	3,085,638	300,000 equity shares were allotted to Bennet, Coleman & Co. Ltd. and 22,800 equity shares were allotted to Dharmayug Investments Limited
September 30, 2009	76,590	10	10	Cash	Further issue	3,162,228	76,590 equity shares were allotted to Kamal Khushlani
November 30, 2009	29,809	10	309.77	Cash	Further issue	3,192,037	29,809 equity shares were allotted to Brand Equity Treaties Limited
July 19, 2022	23,057	10	10	Cash	Allotment pursuant to ESOP Scheme 2020	3,215,094	7,511 equity shares were allotted to Rasik Mittal, 4,356 equity shares were allotted to Mohit Bhagnari, 2,478 equity share were allotted to Samar Patel, 4,356 equity shares were allotted to Haresh Mansharamani, 4,356 equity shares

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price/ conversion price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Details of allottees
							were allotted to Pravin Gandhi
April 7, 2023	9,645,282	10	-	-	Bonus issue of shares at a ratio of 3:1	12,860,376	3,339,063 equity shares were allotted to Kamal Khushlani, 2,724,657 equity shares were allotted to Poonam Khushlani, 287,100 equity shares were allotted to Sonakshi Khushlani, 287,100 equity shares were allotted to Andrew Khushlani, 304,839 equity shares were allotted to Concept Communication Limited, 319,197 equity shares were allotted to Bennett Coleman and Co. Limited, 900,000 equity shares were allotted to Bennett, Coleman and Co. Limited, 68,400 equity shares were allotted to Dharmayug Investments Limited, 754,689 equity shares were allotted to Bela Properties Private Limited, 7,434 equity shares were allotted to Samar Patel, 13,068 equity shares were allotted to Haresh Mansharamani, 13,068 equity shares were allotted to Pravin Gandhi, 295,533 equity shares were allotted to Jay Milan Mehta, 295,533 equity shares were allotted to Sagar Milan Mehta,

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price/ conversion price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Details of allottees
							22,533 equity shares were allotted to Rasik Mittal, 13,068 equity shares were allotted to Mohit Bhagnari.
Pursuant to a Board resolution dated April 7, 2023 and Shareholders' resolution dated April 18, 2023**,** each equity share of our Company of face value ₹10 was sub- divided into 5 Equity Shares of ₹ 2 and accordingly the issued and paid-up equity share capital of our Company was sub-divided from 12,860,376 equity shares of ₹ 10 each to 64,301,880 equity shares of ₹ 2 each.							

**114,268 equity shares of the Company were issued to Kamal Khushlani on July 4, 2008 and were allotted to him on September 9, 2008. The consideration for the 114,268 equity shares was partly paid as on July 4, 2008. The Equity Shares became fully paid-up as on September 9, 2008 and a return of allotment was filed with the RoC on September 9, 2008, recording the same.*

2. **Issue of Equity Shares for consideration other than cash, by way of bonus issue or out of revaluation reserves**

Our Company has not issued any Equity Shares for consideration other than cash or out of its revaluation reserves since its incorporation.

Details of Equity Shares issued pursuant to bonus issue are as follows. Further, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price/ conversion price per Equity Share (₹)	Reason / Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Details of allottees
July 13, 2005	350,000	10	-	-	Bonus issue of equity shares at a ratio of 7:5	600,000	3,360 equity shares were allotted to Kamal Khushlani, 336,140 equity shares were allotted to Poonam Khushlani, 5,600 equity shares were allotted to Kavita Khushlani, 3,500 equity shares were allotted to Indira Gajra, 1,400 equity shares were allotted to Ram Gajra
October 1, 2006	972,916	10	-	-	Bonus issue of equity shares at a ratio of 5:4	1,751,249	220,825 equity shares were allotted to Kamal Khushlani, 642,800 equity shares were allotted to Poonam Khushlani, 12,000 equity shares were allotted to Kavita Khushlani, 48,646 equity

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price/ conversion price per Equity Share (₹)	Reason / Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Details of allottees
							shares were allotted to Prashant Agarwal, 48,645 equity shares were allotted to Aman Agarwal
April 7, 2023	9,645,282	10	-	-	Bonus issue of equity shares at a ratio of 3:1	12,860,376	3,339,063 equity shares were allotted to Kamal Khushlani, 2,724,657 equity shares were allotted to Poonam Khushlani, 287,100 equity shares were allotted to Sonakshi Khushlani, 287,100 equity shares were allotted to Andrew Khushlani, 304,839 equity shares were allotted to Concept Communication Limited, 319,197 equity shares were allotted to Bennett Coleman and Co. Limited, 900,000 equity shares were allotted to Bennett, Coleman and Co. Limited, 68,400 equity shares were allotted to Dharmayug Investments Limited, 754,689 equity shares were allotted to Bela Properties Private Limited, 7,434 equity shares were allotted to Samar Patel, 13,068 equity shares were allotted to Haresh Mansharamani, 13,068 equity

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price/ conversion price per Equity Share (₹)	Reason / Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Details of allottees
							shares were allotted to Pravin Gandhi, 295,533 equity shares were allotted to Jay Milan Mehta, 295,533 equity shares were allotted to Sagar Milan Mehta, 22,533 equity shares were allotted to Rasik Mittal, 13,068 equity shares were allotted to Mohit Bhagnari.

3. **Issue of Equity Shares pursuant to schemes of arrangement**

Our Company has not issued any Equity Shares in terms of any scheme of arrangement approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

4. **Issue of Equity Shares at a price lower than the Offer Price in the last year**

The Offer Price shall be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs after the Bid / Offer Closing Date. Except as disclosed below, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price/ conversion price per Equity Share (₹)	Reason / Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Details of allottees
July 19, 2022	23,057	10	10	Cash	Allotment pursuant to ESOP Scheme 2020	3,215,094	7,511 equity shares were allotted to Rasik Mittal, 4,356 equity shares were allotted to Mohit Bhagnari, 2,478 equity shares were allotted to Samar Patel, 4,356 equity shares were allotted to Haresh Mansharamani, 4,356 equity shares were allotted to Pravin Gandhi
April 7, 2023	9,645,282	10	-	-	Bonus issue of shares at a ratio of 3:1	12,860,376	3,339,063 equity shares were allotted to Kamal Khushlani, 2,724,657 equity shares were allotted to Poonam Khushlani, 287,100 equity

							shares were allotted to Sonakshi Khushlani, 287,100 equity shares were allotted to Andrew Khushlani, 304,839 equity shares were allotted to Concept Communication Limited, 319,197 equity shares were allotted to Bennett Coleman and Co. Limited, 900,000 equity shares were allotted to Bennett, Coleman and Co. Limited, 68,400 equity shares were allotted to Dharmayug Investments Limited, 754,689 equity shares were allotted to Bela Properties Private Limited, 7,434 equity shares were allotted to Samar Patel, 13,068 equity shares were allotted to Haresh Mansharamani, 13,068 equity shares were allotted to Pravin Gandhi, 295,533 equity shares were allotted to Jay Milan Mehta, 295,533 equity shares were allotted to Sagar Milan Mehta, 22,533 equity shares were allotted to Rasik Mittal, 13,068 equity shares were allotted to Mohit Bhagnari.

5. **Preference Share Capital History of our Company**

As on the date of this Draft Red Herring Prospectus, the Company has not issued any preference shares.

6. **Issue of Equity Shares under employee stock option schemes**

Other than Equity Shares issued to the employees as disclosed in *"Capital Structure– History of Equity Share Capital of our Company"* on page 76 our Company has not issued any Equity Shares under the employee stock option scheme as on date of this Draft Red Herring Prospectus.

7. **History of the Equity Share Capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 40,424,800 Equity Shares, equivalent to 61.46% of the issued, subscribed and paid-up Equity Share capital (on a fully diluted basis) of our Company.

(a) Build-up of our Promoters' shareholding in our Company

Set forth below is the build-up of the shareholding of our Promoters since incorporation of our Company:

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Nature of consideration	Face value per equity share (₹)	Issue Price/ Transfer Price per equity share (₹)	Percentage of the pre- Offer equity share capital on a fully diluted basis (%)#	Percentage of the post- Offer equity share capital on a fully diluted basis (%)*#
Kamal Khushlani							
April 29, 1999	Subscription to the MoA	100	Cash	10	10	Negligible	Negligible
December 13, 2002	Further issue	2,000	Cash	10	10	0.02	0.02
July 14, 2003	Further issue	300	Cash	10	10	Negligible	Negligible
July 13, 2005	Bonus issue at a ratio of 7:5	3,360	-	10	-	0.03	0.03
March 15, 2006##	Further Issue	160,000	Cash	10	10	1.22	1.22
	Gift from R.S. Gajra^	2,400	-	10	-	0.02	0.02
	Gift from Indira Gajra^	6,000	-	10	-	0.05	0.05
April 30, 2006	Further Issue	2,500	Cash	10	100	0.02	0.02
October 1, 2006	Bonus issue at a ratio of 5:4	220,825	-	10	-	1.68	1.68
November 30, 2006	Further issue	51	Cash	10	100	Negligible	Negligible
July 4, 2008**	Further issue	392,866	Cash	10	10	2.99	2.99
September 9, 2008**	Further issue	114,268	Cash	10	10	0.87	0.87
September 30, 2009	Further issue	76,590	Cash	10	10	0.58	0.58
October 9, 2009	Transfer to Brand Equity Treaties Limited	(76,590)	Cash	10	10	(0.58)	(0.58)
April 6, 2011	Transfer from Concept Communication Ltd.	33,871	Cash	10	180	0.26	0.26
July 13, 2012	Transfer to Harbir Singh Sidhu	(33,871)	Cash	10	195	(0.26)	(0.26)
February 23, 2017	Gift from Kavita Khushlani	21,600	-	10	-	0.16	0.16
March 23, 2018	Gift to Prashant Agarwal	(54,541)	-	10	-	(0.41)	(0.41)
April 5, 2019	Transfer from Harbir Singh Sidhu	81,751	Cash	10	1,253.12#	0.62	0.62
July 1, 2019	Transfer from Harbir Singh Sidhu	33,841	Cash	10	1,253.12#	0.26	0.26
July 1, 2019	Transfer from Japinder Sidhu	30,000	Cash	10	1,235.12#	0.23	0.23
January 27, 2020	Transmission from Kavita Khushlani	95,700	-	10	-	0.73	0.73
April 7, 2023	Bonus issue of equity shares at a ratio of 3:1	3,339,063	-	10	-	25.38	25.38

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Nature of consideration	Face value per equity share (₹)	Issue Price/ Transfer Price per equity share (₹)	Percentage of the pre- Offer equity share capital on a fully diluted basis (%)#	Percentage of the post- Offer equity share capital on a fully diluted basis (%)*#
Pursuant to a Board resolution dated April 7, 2023 and Shareholders' resolution dated April 18, 2023**,** each equity share of our Company of face value ₹10 was sub- divided into 5 Equity Shares of ₹ 2 each and accordingly 4,452,084 equity shares of face value of ₹ 10 each held by Kamal Khushlani were sub-divided into 22,260,420 Equity Shares of face value of ₹ 2 each.							
Sub Total		**22,260,420**				**33.84**	**33.84**
Poonam Khushlani							
April 29, 1999	Subscription to the MoA	100	Cash	10	10	Negligible	Negligible
December 13, 2002	Further Issue	5,000	Cash	10	10	0.04	0.04
July 14, 2003	Further Issue	185,000	Cash	10	10	1.41	1.41
July 24, 2003	Further Issue	50,000	Cash	10	10	0.38	0.38
July 13, 2005	Bonus issue at a ratio of 7:5	336,140	-	10	-	2.56	2.56
December 20, 2005	Sale to Prashant Agarwal	(38,000)	Cash	10	52.63	(0.29)	(0.29)
December 20, 2005	Sale to Aman J. Agarwal	(38,000)	Cash	10	52.63	(0.29)	(0.29)
April 30, 2006	Further Issue	14,000	Cash	10	100	0.11	0.11
October 1, 2006	Bonus issue at a ratio of 5:4	642,800	-	10	-	4.89	4.89
July 4, 2008	Further Issue	150,000	Cash	10	10	1.14	1.14
June 5, 2010	Gift to Harbir Singh Sidhu^	(111,721)	-	10	-	(0.85)	(0.85)
March 30, 2017	Gift to Sonakshi Khushlani	(95,700)	-	10	-	(0.73)	(0.73)
	Gift to Andrew Khushlani	(95,700)	-	10	-	(0.73)	(0.73)
	Gift to Kavita Khushlani^	(95,700)	-	10	-	(0.73)	(0.73)
April 7, 2023	Bonus issue of equity shares at a ratio of 3:1	2,724,657	-	10	-	20.71	20.71
Pursuant to a Board resolution dated April 7, 2023 and Shareholders' resolution dated April 18, 2023**,** each equity share of our Company of face value ₹10 was sub- divided into 5 Equity Shares of ₹ 2 each and accordingly 3,632,876 equity shares of face value of ₹ 10 each held by Poonam Khushlani were sub-divided into 18,164,380 Equity Shares of face value of ₹ 2 each.							
Sub Total		**18,164,380**				**27.62**	**27.62**
Total		**40,424,800**				**61.46**	**61.46**

**Subject to finalization of basis of allotment*
#Rounded off to two decimal places.
***114,268 equity shares of the Company were offered and issued to Kamal Khushlani on July 4, 2008 and were allotted to him on September 9, 2008. The consideration for the 114,268 equity shares was partly paid as on July 4, 2008. The Equity Shares became fully paid-up as on September 9, 2008 and a return of allotment was filed with the RoC on September 9, 2008, recording the same.*
^ For further details in relation to this please see "Internal Risk Factors – Certain records of inter-se transfers involving the Promoters are not traceable. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future or that we will be subject to any penalty imposed by the competent regulatory authority in this regard" on page 44
In relation to these transfers, the gift deeds are not traceable. Thereby, we have relied on the secretarial audit report dated July 13, 2023 from S Pardeshi & Associates, Company Secretaries.

All the equity shares held by our Promoters, except for the equity shares allotted pursuant to the further issue on July 4, 2008, were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares. For further details in relation to the further issue on July 4, 2008, please see *"- Notes to the Capital Structure"* on page 76.

(b) *Details of Promoters' contribution and lock-in*:

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of eighteen months as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

(ii) Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Promoters'

Contribution are as follows:

Name of Promoter	Date of transaction and when made fully paid-up#	Nature of transaction	No of Equity Shares	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of fully diluted post-Offer paid-up capital (%)*	Date up to which the Equity shares are subject to lock-in
Kamal Khushlani	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Poonam Khushlani	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated prior to the filing of the Prospectus with the RoC.
 # Equity Shares were fully paid-up on the date of allotment/transfer.
**Subject to finalisation of basis of allotment*

(iii) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iv) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;

- The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

- Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm; and

- The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other form of encumbrance.

(c) Other lock-in requirements:

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for eighteen months as specified above and the Equity Shares offered and successfully transferred by the Selling Shareholders as part of the Offer for Sale, the entire pre-Offer Equity Share capital of our Company, except the Equity Shares allotted or to be allotted to our employees under ESOP Scheme 2020 pursuant to exercise of options held by such employees (whether current employees or not and including the legal heirs or nominees of any deceased employees or ex-employees), will be locked-in for a period of six months from the date of Allotment, including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations.

(ii) Pursuant to Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of six months from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or a Systemically Important NBFC or a deposit accepting housing finance company as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. Equity Shares locked-in as Promoters' Contribution for eighteen months can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity

Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above in terms of the SEBI ICDR Regulations.

(iii) In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters and locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations for a period of eighteen months, may be transferred amongst our Promoters and any member of the Promoter Group or a new promoter, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

(iv) In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoters and locked-in pursuant to Regulation 17 of the SEBI ICDR Regulations for a period of six months from the date of Allotment, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

(v) As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

(d) Lock in of Equity Shares to be Allotted, if any, to Anchor Investors

50% Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% Equity Shares shall be locked-in for a period of 30 days from the date of Allotment.

8. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of Equity Shares underlying Depository Receipts (VI)	Total no. of Equity Shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of Equity 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 Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)*	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights										
								Class: Equity	Class: Others	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
(A)	Promoter and Promoter Group	4	44,252,800	0	0	44,252,800	68.82	44,252,800	0	44,252,800	68.82	0	68.82	0		0		44,252,800
(B)	Public	11	20,049,080	0	0	20,049,080	31.18	20,049,080	0	20,049,080	31.18	0	31.18	0		0		20,049,080
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	Shares underlying DRs	0	0	0	0	-	-	0	0	0	-	0	-	0		0		0
(C2)	Shares held by Employee Trusts	0	0	0	0	-	-	0	0	0	-	0	-	0		0		0
	Total	**15**	**64,301,880**	**0**	**0**	**64,301,880**	**100.00**	**64,301,880**	**0**	**64,301,880**	**100.00**	**0**	**100.00**	**0**		**0**		**64,301,880**

* *Vested options under ESOP Scheme 2020 have not been considered for calculation of shareholding*

9. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders are 15.

10. **Details of shareholding of the major shareholders of our Company**

(a) Set forth below is a list of shareholders holding 1% or more of the paid-up share capital of our Company, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of the Equity Share capital on a fully diluted basis (%)
1.	Kamal Khushlani	22,260,420	33.84
2.	Poonam Khushlani	18,164,380	27.62
3.	Sonakshi Khushlani	1,914,000	2.91
4.	Andrew Khushlani	1,914,000	2.91
5.	Concept Communication Limited	2,032,260	3.09
6.	Bennett Coleman and Co. Limited	8,127,980	12.36
7.	Bela Properties Private Limited	5,031,260	7.65
8.	Jay Milan Mehta	1,970,220	3.00
9.	Sagar Milan Mehta	1,970,220	3.00
	Total	**63,384,740**	**96.37**

(b) Set forth below is a list of shareholders holding 1% or more of the paid-up share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of the Equity Share capital on a fully diluted basis (%)
1.	Kamal Khushlani	22,260,420	33.84
2.	Poonam Khushlani	18,164,380	27.62
3.	Sonakshi Khushlani	1,914,000	2.91
4.	Andrew Khushlani	1,914,000	2.91
5.	Concept Communication Limited	2,032,260	3.09
6.	Bennett Coleman and Co. Limited	8,127,980	12.36
7.	Bela Properties Private Limited	5,031,260	7.65
8.	Jay Milan Mehta	1,970,220	3.00
9.	Sagar Milan Mehta	1,970,220	3.00
	Total	**63,384,740**	**96.37**

(c) Set forth below is a list of shareholders holding 1% or more of the paid-up share capital of our Company, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of Shareholder	Pre-Offer	
		Number of equity shares of ₹ 10 each	Percentage of the equity share capital on a fully diluted basis (%)
1.	Kamal Khushlani	1,113,021	34.16
2.	Poonam Khushlani	908,219	27.88
3.	Sonakshi Khushlani	95,700	2.94
4.	Andrew Khushlani	95,700	2.94
5.	Concept Communication Limited	101,613	3.12
6.	Bennett Coleman & Co. Limited	300,000	9.21
7.	Brand Equity Treaties Limited	106,399	3.26
8.	Bela Properties Private Limited	251,563	7.72
9.	Jay Milan Mehta	98,511	3.02
10.	Sagar Milan Mehta	98,511	3.02
	Total	**3,169,237**	**97.27**

(d) Set forth below is a list of shareholders holding 1% or more of the paid-up share capital of our Company, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of Shareholder	Pre-Offer	
		Number of equity shares of ₹ 10 each	Percentage of the equity share capital on a fully diluted basis (%)
1.	Kamal Khushlani	1,113,021	34.87
2.	Poonam Khushlani	908,219	28.45
3.	Sonakshi Khushlani	95,700	3.00
4.	Andrew Khushlani	95,700	3.00
5.	Concept Communication Limited	101,613	3.18
6.	Bennett Coleman & Co. Limited	300,000	9.40
7.	Brand Equity Treaties Limited	106,399	3.33
8.	Bela Properties Private Limited	251,563	7.88
9.	Jay Milan Mehta	98,511	3.09
10.	Sagar Milan Mehta	98,511	3.09
	Total	**3,169,237**	**99.29**

(e) **Details of Equity Shares held by our Directors, Key Managerial Personnel, Senior Managerial Personnel and members of our Promoter Group**

(i) Except as disclosed below, there are no Equity Shares or ESOPs held by the Directors, Key Managerial Personnel and Senior Managerial Personnel in our Company:

Name of Shareholder	Pre-Offer Equity Share Capital				Post-Offer Equity Share Capital**	
	No. of Equity Shares held	Vested Options as on the date of this Draft Red Herring Prospectus	Granted Options (including Vested Options and excluding Options Exercised)	% of total shareholding on a fully diluted basis*	No. of Equity Shares held	% of total shareholding on a fully diluted basis
Directors						
Kamal Khushlani	22,260,420	Nil	Nil	33.84%	18,120,420	27.55%
Poonam Khushlani	18,164,380	Nil	Nil	27.62%	13,889,380	21.12%
Total holding of Directors	**40,424,800**	**Nil**	**Nil**	**61.46%**	**32,009,800**	**48.67%**
Key Managerial Personnel						
Rasik Mittal	150,220	574,580	957,640	0.23%	150,220	0.23%
Total holding of the KMPs	**150,220**	**574,580**	**957,640**	**0.23%**	**150,220**	**0.23%**
Senior Managerial Personnel (excluding the Key Managerial Personnel)						
R. V. Subramaniam	Nil	103,560	207,120	0	Nil	Nil
Biswajeet Ghosal	Nil	30,000	120,000	0	Nil	Nil
Pravin Gandhi	87,120	60,000	120,000	0.13%	87,120	0.13%
Mohit Bhagnari	87,120	60,000	120,000	0.13%	87,120	0.13%
Haresh Manshramani	87,120	60,000	120,000	0.13%	87,120	0.13%
Samar Patel	49,560	78,780	157,560	0.08%	49,560	0.08%
Alpesh Mehta	Nil	383,040	638,400	0	Nil	Nil
Total holding of the SMPs (excluding the KMPs)	**310,920**	**775,380**	**1,483,080**	**0.47%**	**310,920**	**0.47%**

** Includes Equity Shares to be allotted pursuant to exercise of any of the 1,469,960 options vested under ESOP Scheme 2020, as applicable.*
*** Subject to finalisation of basis of allotment*

(ii) Set out below are the details of the Equity Shares held by our Promoters and Promoter Group of our Company:

Name of Shareholder	Pre-Offer Equity Share Capital		Post-Offer Equity Share Capital*	
	No. of Equity Shares	% of total shareholding on a fully diluted basis	No. of Equity Shares	% of total shareholding on a fully diluted basis
Promoters				
Kamal Khushlani	22,260,420	33.84	18,120,420	27.55

Name of Shareholder	Pre-Offer Equity Share Capital		Post-Offer Equity Share Capital*	
	No. of Equity Shares	% of total shareholding on a fully diluted basis	No. of Equity Shares	% of total shareholding on a fully diluted basis
Poonam Khushlani	18,164,380	27.62	13,889,380	21.12
Total holding of Promoters (A)	**40,424,800**	**61.46**	**32,009,800**	**48.67**
Promoter Group members				
Sonakshi Khushlani	1,914,000	2.91	1,806,000	2.75
Andrew Khushlani	1,914,000	2.91	1,806,000	2.75
Total holding of the Promoter Group (other than Promoters) (B)	**3,828,000**	**5.82**	**3,612,000**	**5.49**
Total holding of Promoters and Promoter Group (A + B)	**44,252,800**	**67.28**	**35,621,800**	**54.16**

** Subject to finalisation of basis of allotment*

All Equity Shares held by our Promoters and Promoter Group are in dematerialised form as on the date of this Draft Red Herring Prospectus.

(f) As on the date of this DRHP, except for the Equity Shares held by Concept Communication Limited, which is an associate of Keynote Financial Services Limited, one of the BRLMs and their respective associates (determined as per the definition of 'associate company' under the Companies Act, 2013 and as per definition of the term 'associate' under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) none of the BRLMs or their respective associates (as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The BRLMs, their respective associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

(g) There are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus and all the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares, except for the 114,268 equity shares issued to our Promoter, Kamal Khushlani, pursuant to the further issue on July 4, 2008, which were subsequently made fully paid-up and allotted on September 9, 2008. For further details in relation to the further issue on July 4, 2008, please see the *"Capital Structure - Notes to the Capital Structure - Equity Share Capital History of our Company"* on page 76. The Equity Shares to be transferred pursuant to the Offer shall be fully paid up at the time of Allotment.

(h) **Employee Stock Option Scheme**

ESOP Scheme 2020

Pursuant to the resolutions of our Board of Directors dated November 6, 2020 and our shareholders resolution dated November 5, 2020, our Company has instituted Credo Stock Option Plan 2020 (hereinafter "**ESOP Scheme 2020**"). Subsequently the ESOP Scheme 2020 was amended vide the board resolution dated May 9, 2023 and Shareholders resolution dated July 4, 2023. The ESOP Scheme 2020 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The following table sets forth the particulars of the ESOP Scheme 2020, including options granted as on the date of this Draft Red Herring Prospectus, as certified by Dileep & Prithvi, Chartered Accountants, through a certificate dated July 13, 2023.

Particulars	Details				
	Financial Year 2021	Financial Year 2022	Financial Year 2023	From April 1, 2023 until the date of this certificate	Number of options post bonus issuance and split of equity shares
Total options outstanding as at the beginning of the period	Nil	153,093	163,093	140,036	2,800,720
Total options granted	153,093	10,000	Nil	Nil	-

Particulars	Details				
	Financial Year 2021	**Financial Year 2022**	**Financial Year 2023**	**From April 1, 2023 until the date of this certificate**	**Number of options post bonus issuance and split of equity shares**
Exercise price of options in ₹ (as on the date of grant)	10 & 627	627	NA*	NA*	-
Options forfeited/lapsed/cancelled	Nil	Nil	Nil	Nil	-
Variation of terms of options	Nil	Nil	Nil	Nil	-
Money realized by exercise of options (in ₹)	Nil	Nil	230,570	Nil	-
Total number of options outstanding in force	153,093	163,093	140,036	140,036	2,800,720
Total options vested (excluding the options that have been exercised)	Nil	66,037	73,498	50,441	1,008,820
Options exercised (since implementation of the ESOP Scheme)	Nil	Nil	23,057	23,057	-
The total number of Equity Shares arising as a result of exercise of granted options(since implementation of the ESOP Scheme)	Nil	Nil	23,057	23,057	-
Employee wise details of options granted to:					
(a) Key managerial personnel					
Rasik Mittal	55,393	-	-	-	
(b) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	-	-	-	-	
Alpesh Mehta	31,920	Nil	Nil	Nil	
Samar Patel	10,356	Nil	Nil	Nil	
Haresh Mansharamani	10,356	Nil	Nil	Nil	
Mohit Bhagnari	10,356	Nil	Nil	Nil	
R V Subramaniam	10,356	Nil	Nil	Nil	
Jayendra Bhanji	Nil	4,000	Nil	Nil	
Manish Agarwal	Nil	6,000	Nil	Nil	
Pravin Gandhi	10,356	Nil	Nil	Nil	
(c) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil	Nil	Nil	
Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with IND AS 33 'Earnings Per Share'					
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company	NA	NA	NA	NA	
Description of the pricing formula and method and significant assumptions used to estimate the fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends,	As mentioned below in note no 1	As mentioned below in note no 2	As mentioned below in note no 3	NA	

Particulars	Details				
	Financial Year 2021	**Financial Year 2022**	**Financial Year 2023**	**From April 1, 2023 until the date of this certificate**	**Number of options post bonus issuance and split of equity shares**
and the price of the underlying share in the market at the time of grant of option					
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed, in respect of options granted in the last three Years	NA	NA	NA	NA	
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	NA	NA	NA	NA	
Intention to sell Equity Shares arising out of the ESOP Scheme or allotted under an ESOP Scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	NA	NA	NA	NA	

**There is no option granted during the period and therefore mentioned as not applicable.*

Notes:

Note No. 1-Description of the pricing formula and method and significant assumptions used to estimate fair value of option granted during the Financial Year 2020-21

Particulars	*Grant 1*	*Grant 2*	*Grant 3*
Volatility (In %)*	*15%*	*15%*	*15%*
Weighted average Risk-free Rate (In %)	*5.44%*	*5.58%*	*5.61%*
Exercise Price (In ₹)	*10.00*	*627.00*	*627.00*
Weighted average Expected Life (Time to Maturity) (In Years)	*5.5*	*6.16*	*6.22*
Dividend yield (In %)	*0. 39 %*	*0. 39 %*	*0. 39 %*
Remaining contractual life of the outstanding options (years)	*9.61*	*9.61*	*9.61*
Weighted average fair value (In ₹)	*489.71*	*157.71*	*99.79*

**- Expected volatility has been assumed at 15% considering the entity is an unlisted private entity and Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.*

Note No. 2-Description of the pricing formula and method and significant assumptions used to estimate fair value of option granted during the Financial Year 2021-22

Particulars	*Grant 1*	*Grant 2*	*Grant 3*	*Grant 4*
Volatility (In %)*	*15%*	*15%*	*15%*	*15%*
Weighted average Risk-free Rate(In %)	*5.44%*	*5.58%*	*5.61%*	*6.12%*
Exercise Price (In ₹)	*10.00*	*627.00*	*627.00*	*627.00*
Weighted average Expected Life (Time to Maturity)(In Years)	*5.50*	*6.16*	*6.08*	*6.50*
Dividend yield (In %)	*0.39 %*	*0.39 %*	*0.39 %*	*0.39 %*

Particulars	*Grant 1*	*Grant 2*	*Grant 3*	*Grant 4*
Remaining contractual life of the outstanding options (years)	*8.61*	*8.61*	*8.61*	*8.61*
Weighted average fair value(In ₹)	*489.71*	*157.71*	*99.79*	*124.93*

**- Expected volatility has been assumed at 15% considering the entity is an unlisted private entity and Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.*

Note No. 3-Description of the pricing formula and method and significant assumptions used to estimate fair value of option granted during the Financial Year 2022-23

Particulars	*Grant 1*	*Grant 2*	*Grant 3*	*Grant 4*
Volatility (In %)*	*15%*	*15%*	*15%*	*15%*
Weighted average Risk-free Rate(In %)	*5.44%*	*5.58%*	*5.61%*	*6.12%*
Exercise Price(In ₹)		*627.00*	*627.00*	*627.00*
Weighted average Expected Life (Time to Maturity)(In Years)	*5.50*	*6.16*	*6.08*	*6.50*
Dividend yield (In %)	*0. 39 %*	*0. 39 %*	*0. 39 %*	*0. 39 %*
Remaining contractual life of the outstanding options (years)	*-*	*7.85*	*7.85*	*8.85*
Weighted average fair value(In ₹)	*489.71*	*157.71*	*99.79*	*124.93*

**- Expected volatility has been assumed at 15% considering the entity is an unlisted private entity and Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.*

(i) No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, the Members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid. Further, no payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise, except for fees or commission for services rendered in relation to the Offer, shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.

(j) None of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Draft Red Herring Prospectus.

(k) None of the members of our Promoter Group, our Promoters, our Directors or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

(l) Our Company, the Selling Shareholders, our Promoters, our Directors and the BRLMs have not entered into any buy-back arrangements or any similar arrangements for purchase of the Equity Shares to be issued as a part of the Offer.

(m) Our Promoters and our Promoter Group members will not participate in the Offer, except by way of participation as the Selling Shareholders, in the Offer for Sale.

(n) Our Company will ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.

(o) There have been no financing arrangements whereby, the Promoters, members of our Promoter Group, our Directors, and their relatives 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 a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

(p) The Promoters and members of our Promoter Group will not receive any proceeds from the Offer, except to the extent of their participation as Selling Shareholders in the Offer for Sale.

(q) The BRLMs and persons related to the BRLMs or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associates of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs or a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs or pension funds sponsored by entities which are associate of the lead manager.

(r) Except for the issuance of any Equity Shares pursuant to exercise of options granted under ESOP Scheme 2020, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or by issue of bonus or rights or further public issue of Equity Shares or otherwise.

(s) Except for the issuance of any Equity Shares pursuant to exercise of options granted under ESOP Scheme 2020, there will be no further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutional placements or otherwise or in any other manner, including the alteration of share capital by way of split or consolidation of the denomination of Equity Shares, during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be. Provided, however, that the foregoing restrictions do not apply to the issuance of any Equity Shares under the Offer.

(t) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

(u) As on the date of this Draft Red Herring Prospectus, except for the issue of Equity Shares pursuant to exercise of options granted under ESOP Scheme 2020, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares, or any other right which would entitle any person any option to receive Equity Shares.

(v) Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

SECTION V: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 19,634,960 Equity Shares, aggregating up to ₹ [●] million, by the Selling Shareholders. Further, our Company expects that the proposed listing of its Equity Shares will enhance our visibility and brand image as well as provide liquidity to our Shareholders and a public market for the Equity Shares in India. The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer. For details of the Selling Shareholders and their respective portion of the Offered Shares, see "*The Offer*" "*Other Regulatory and Statutory Disclosures*" beginning on pages 61 and 289, respectively.

Offer Related Expenses

The Offer expenses are estimated to be approximately ₹ [●] million. The Offer expenses comprise, among other things, the listing fee, underwriting fee, selling commission and brokerage, fees payable to the Book Running Lead Managers, legal counsels, Registrar to the Offer, Escrow Collection Bank, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, CRTAs and CDPs, fees payable to the Sponsor Bank(s) for Bids made by UPI Bidders, printing and stationery expenses, advertising and marketing expenses, auditor's fee and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All Offer related expenses will be solely borne by the Selling Shareholders in accordance with applicable law, including Section 28(3) of the Companies Act, 2013, other than the listing fees which will be solely borne by the Company. All expenses relating to the Offer shall be paid by the Company on behalf of the Selling Shareholders in the first instance, until the date of listing of equity shares. All expenses shall be deducted from the Offer proceeds and only the balance amount shall be paid to the Selling Shareholders in proportion to the Offered Shares. In the event the Offer is withdrawn or unsuccessful, each Selling Shareholder shall reimburse the Company for any expenses incurred by the Company on behalf of such Selling Shareholder as mutually agreed

The break-up for the estimated Offer expenses is as follows:

Activity	Estimated expenses(1) (in ₹ million)	As a % of total estimated Offer expenses(1)	As a % of the total Offer size(1)
Book Running Lead Managers fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, CRTAs and CDPs(2) (3)(4)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Other expenses:			
(a) regulatory filing fees, including SEBI, BSE and NSE fees, book building software fees, listing fees, etc.	[●]	[●]	[●]
(b) printing and stationery	[●]	[●]	[●]
(c) fee payable to legal counsels	[●]	[●]	[●]
(d) advertising and marketing	[●]	[●]	[●]
(e) other advisors to the Offer (including Auditors, Independent Chartered Accountants, Practising Company Secretaries)	[●]	[●]	[●]
(f) miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Offer expenses include 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.*

(2) *Selling commission payable to the SCSBs on the portion for RIIs and NIIs which are directly procured by the SCSBs, would be as follows:*

*Portion for RIIs**	*[●]% of the Amount Allotted (plus applicable taxes)*

*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

(3) *Processing fees payable to the SCSBs on the portion for RIIs and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB (including 3-in-1 type accounts – linked online trading, demat & bank account) for blocking, would be as follows:*

*Portion for RIIs**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid application (plus applicable taxes)*

** Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Bidders with bids above ₹ 500,000 would be ₹ [●] plus applicable taxes, per valid application*

(4) *Selling commission on the portion for RIIs, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are members of the Syndicate (including their Sub-Syndicate Members) would be as follows:*

Portion for RIIs	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]%of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The selling commission payable to the Syndicate / sub-Syndicate Members will be determined as follows:

(i) For Retail Individual Bidders and Non-Institutional Bidders (with an application size of up to ₹ 500,000), on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application (i.e. non-UPI application other than 3-in-1 type application) on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub Syndicate Member.

(ii) For Non-Institutional Bidders (above ₹ 500,000), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub Syndicate members and not the SCSB.

Uploading Charges:

(i) Bid uploading charges payable to members of the Syndicate (including their sub-Syndicate Members) on the applications made using 3- in-1 accounts would be ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate embers).

(ii) Bid uploading charges payable to SCSBs on the QIB Portion and Non-Institutional Bidders (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹ [●] per valid application (plus applicable taxes).

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Selling commission/ uploading charges payable to the Registered Brokers, RTAs and CDPs on the portion for UPI Bidders procured through UPI Mechanism and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

*Portion for RIIs**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid application (plus applicable taxes)*

* *Based on valid applications*

Uploading charges/ processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Members of the Syndicate / CRTAs / CDPs	*₹[●] per valid application (plus applicable taxes)*
Sponsor Bank(s)	*₹[●] per valid application (plus applicable taxes)* *The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Member shall not be able to accept Bid cum Application Form above ₹500,000 and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Member to SCSB a special Bid cum Application Form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / Sub-Syndicate Member along with SM code & Broker code mentioned on the Bid cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹500,000 will not be eligible for brokerage. The processing fees for applications made by UPI 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/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Monitoring Utilization of Funds

Since the Offer is an Offer for Sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Equity Shares proposed to be sold by the Selling Shareholders, none of our Promoters, Directors, Subsidiary, KMPs, SMPs or Promoter Group members will receive any portion of the Offer Proceeds.

BASIS FOR OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 2 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 see the sections entitled "*Our Business*", "*Risk Factors*" and *"Restated Consolidated Financial Information*" on pages 146, 23, and 196, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

1. Strong brand equity with presence across categories;
2. Multi-channel pan-India distribution network;
3. Scalable asset light model;
4. Strong in-house design competencies to deliver innovative and high-quality products with end-to-end tech-enabled supply chain capabilities;
5. Financially stable business model; and
6. Experienced Promoter and senior management team.

For details, please see the section entitled "*Our Business – Our Strengths*" on page 148.

Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Consolidated Financial Information. For further information, please see the section entitled *"Restated Consolidated Financial Information*" on page 196.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings per Share

Fiscal ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2021	0.54	0.54	1
March 31, 2022	5.60	5.56	2
March 31, 2023	12.06	12.06	3
Weighted Average	**7.99**	**7.97**	

Notes:

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

ii) Basic Earnings per Equity Share (₹) = Net profit after tax attributable to shareholders of our Company, as restated / Weighted average number of Equity Shares outstanding during the year

iii) Diluted Earnings per Equity Share (₹) = Net Profit after tax attributable to shareholders of our Company, as restated / Weighted average number of potential Equity Shares outstanding during the year

iv) Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share' – notified under the Companies (Indian Accounting Standards) Rules, 2015.

v) Weighted Average Number of Equity Shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor.

vi) The figures disclosed above are based on the Restated Consolidated Financial Information of our Company.

vii) The Company, pursuant to a Board resolution dated April 7, 2023 has allotted 9,645,282 bonus equity shares of ₹10/- each in the ratio 3:1. Further, pursuant to a Board resolution dated April 7, 2023 and Shareholders' resolution dated April 18, 2023, each equity share of our Company of face value ₹10/- was sub- divided into 5 Equity Shares of ₹ 2/- and accordingly the issued and paid-up equity share capital of our Company was sub-divided from 12,860,376 equity shares of ₹ 10/- each to 64,301,880 equity shares of ₹ 2/- each. As required under Ind AS 33 "Earning per share", the above sub-division and Bonus shares are retrospectively *considered for the computation of weighted average number of equity shares outstanding during the period, in accordance with Ind AS 33.*

2. Price/Earning ("P/E") Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at Floor Price (no. of times)*	P/E at Cap Price (no. of times)*	P/E at Offer Price (no. of times)
Based on basic EPS of ₹ [●] as per the Restated Consolidated Financial Information for the year ended March 31, 2023	[●]	[●]	[●]
Based on diluted EPS of ₹ [●] as per the Restated Consolidated Financial Information for the year ended March 31, 2023	[●]	[●]	[●]

**To be updated in the Prospectus*

Industry P/E ratio

Particulars	P/E ratio
Highest	123.13
Lowest	29.45
Industry composite	**74.71**

Notes:

a) *The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed hereunder.*

b) *P/E figures for the peer are computed based on closing market price as on July 7, 2023 on NSE, divided by diluted EPS for the Financial Year ending March 31, 2023.*

3. Average Return on Net Worth ("RoNW")

Fiscal/period ended	RoNW (%)	Weight
March 31, 2021	1.81	1
March 31, 2022	16.70	2
March 31, 2023	29.98	3
Weighted Average	**20.86**	

Notes:

i) *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.*

ii) *Return on Net Worth (%) = Net Profit after tax attributable to shareholders of the Company, as restated / Restated average net worth (i.e. (opening net worth +closing net worth) / 2).*

iii) *'Net worth': Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

4. Net Asset Value per Equity Share ("NAV")

Net Asset Value per Equity Share	(₹)
March 31, 2023	43.75
After the Offer	
-At the Floor Price	[●]
-At the Cap Price	[●]
Offer Price	[●]

Notes:

1. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
2. *Net Asset Value per Equity Share = Net worth as per the Restated Consolidated Financial Information at the end of the year / Number of equity shares outstanding as at the end of year and adjusted for bonus issue and split of equity shares post last balance sheet i.e. March 31, 2023.*

3. *'Net worth': Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
4. *The Company, pursuant to a Board resolution dated April 7, 2023 has allotted 9,645,282 bonus equity shares of ₹10 each in the ratio 3:1. Further, pursuant to a Board resolution dated April 7, 2023 and Shareholders' resolution dated April 18, 2023, each equity share of our Company of face value ₹10 was sub- divided into 5 Equity Shares of ₹ 2 and accordingly the issued and paid-up equity share capital of our Company was sub-divided from 12,860,376 equity shares of ₹ 10 each to 64,301,880 equity shares of ₹ 2 each.*

5. Comparison of accounting ratios with listed industry peers

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

Name of the company	Face Value (₹ Per Share)	Market Capitalisation (in ₹ million)	Closing price on July 7, 2023 (₹)	Total Revenue for Fiscal 2023 (in ₹ million)	EBITDA (₹ in million)	EPS (₹)		NAV(₹ per share)	P/E	ROCE (%)	RONW (%)	Mcap/Revenue	EV/EBITDA
						Basic	Diluted						
Credo Brands Marketing Limited*	10	-	-	5,093.22	1,638.50	12.06	12.06	43.76	-	28.16	29.98	-	-
Peer Group													
Aditya Birla Fashion and Retail Limited	10	202,616.71	213.55	1,25,343.60	15,004.20	(0.38)	(0.38)	35.24	-	4.64	(1.18)	1.62	3.92
Go Fashion (India) Limited	10	59,242.45	1,096.90	6,771.94	2,122.86	15.33	15.33	96.36	71.55	21.45	17.27	8.75	0.17
Arvind Fashions Limited@	4	46,449.13	349.70	44,735.80	4,526.40	2.84	2.83	68.48	123.13	13.72	4.42	1.04	2.40
Kewal Kiran Clothing Limited	10	35,046.24	568.70	7,996.70	1,517.80	19.31	19.31	88.76	29.45	27.84	23.22	4.38	(0.69)

** Financial information for our Company is derived from the Restated Consolidated Financial Information as at and for the financial year ended March 31, 2023.*
#All the financial information for listed industry peer mentioned above is on a consolidated basis, except Go Fashion (India) Limited as there is no consolidation and is sourced from the annual audited financial results of the listed industry peer for the year ended March 31, 2023.
@All the values mentioned above are based on both continued and discontinued operations for the year ended March 31, 2023.

Notes for listed peers:
1. *Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the financial statements of the respective listed industry peer.*
2. *P/E Ratio has been computed based on the closing market price of equity shares on NSE on July 7, 2023 divided by the Diluted EPS provided.*
3. *Return on net worth ("RoNW") is computed as total profit/ (loss) for the year attributable to equity shareholders of the parent divided by average net worth (excluding non-controlling interest), as at March 31, 2023.*
4. *Net asset value per share is calculated by dividing net worth (excluding non-controlling interest) by number of equity shares outstanding as at March 31, 2023.*
5. *Market Capitalisation is based on closing market price on NSE as on July 7, 2023.*
6. *EBITDA is calculated as Profit before tax + Depreciation & Amortisation + Finance cost – Other Income.*
7. *ROCE: Return on Capital Employed is calculated as EBIT (profit before tax + Finance cost) divided by average capital employed ((opening capital employed +closing capital employed) /2), which is defined as average of Equity Fund plus debts plus lease liabilities.*
8. *ROE: Return on equity is calculated as PAT/ Average shareholder's equity ((opening equity +closing equity)/2).*
9. *Mcap/Revenue is calculated as market capitalisation as on July 7, 2023/Total revenue for the year ended March 31, 2023.*
10. *EV/EBITDA is calculated as enterprise value (market capitalisation as on July 7, 2023+Long and short term borrowings-and lease liabilities - cash and cash equivalents)/EBITDA.*

6. **Key Performance Indicators**

We use certain financial and operational performance indicators or key performance indicators ("**KPI**") as supplemental measures to review and analyse our financial and operating performance from period to period, and to evaluate our business. In addition to our management, such measures may also be frequently used by securities analysts, investors and others within the logistics industry to evaluate financial performance. Some of these KPI are not defined under Ind AS and are not presented in accordance with Ind AS. These KPI have limitations as analytical tools.

As a result, presentation of these KPI, should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Consolidated Financial Information set out in this Draft Red Herring Prospectus. These measures may differ from similar titled information used by other companies, who may calculate such information differently and hence their comparability with those used by us may be limited. Therefore, these KPI should not be viewed as substitutes for performance or profitability measures under Ind AS or as indicators of our operating performance, liquidity or profitability.

For a description of the historic use of KPI by our Company to analyze, track or monitor the operational and/or financial performance of our Company and comparisons of Key Performance Indicators over time shall be explained based on additions or dispositions to the business, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*" on page 262.

The table below sets forth the details of our KPI which our Company considers have a bearing for arriving at the basis for Offer Price, based on our Restated Consolidated Financial Information. The KPI set out in the table below have been approved by our Audit Committee by way of a resolution dated July 13, 2023 and have been certified by independent chartered accountant, Dileep & Prithvi, Chartered Accountants, pursuant to their certificate dated July 13, 2023.

Key Financial Performance Indicators

(Amount in Million, except % and ratios)

KPI	**As of/ for the**		
	Financial year ended March 31, 2023	**Financial year ended March 31, 2022**	**Financial year ended March 31, 2021**
Revenue from Operations[1]	4,981.82	3,411.72	2,448.26
Year-on-Year Growth in Revenue from Operations (%)[2]	46.02 %	39.35 %	(35.99) %
Gross Profit[3]	2,862.42	1,941.05	1,197.87
Gross Profit Margin[4]	57.46 %	56.89 %	48.93 %
EBITDA[5]	1,638.50	950.97	484.82
EBITDA Margin[6]	32.89 %	27.87 %	19.80 %
PAT[7]	775.14	357.40	34.41
PAT Margin[8]	15.56 %	10.48 %	1.41 %
Net Debt/Equity[9] (number of times)	0.65	0.44	0.62
ROCE[10]	28.16 %	17.31 %	5.86 %
ROE (Return on Equity)[11]	29.98 %	16.70 %	1.81 %
Fixed Assets Turnover Ratio[12] (number of times)	9.79	8.64	5.83
Debtor Days[13]	101	132	183
Inventory Days[14]	154	154	173
Creditor Days[15]	73	91	101
Net Working Capital Days[16]	182	195	255

Notes:

1. *Revenue from operations is the total revenue generated by the Company from its operation.*
2. *Year-on-Year Growth in Revenue from Operations is annual growth in revenue from operations as compare with previous year revenue from operations (Revenue from operations of current year- Revenue from operations of previous year/ Revenue from operations of previous year*100).*

3. *Gross Profit is Revenue from operations-cost of goods sold.*
4. *Gross Profit Margin is Gross Profit/ Revenue from Operations*100.*
5. *EBITDA is calculated as Profit before tax + Depreciation & Amortisation + Finance cost – Other Income.*
6. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations*100.*
7. *PAT is mentioned as Profit after Taxes for the period.*
8. *PAT Margin is calculated as PAT/ Revenue from Operations*100.*
9. *Net Debt/Equity is calculated as (Total Long term & Short term borrowings + lease liabilities - Cash and cash equivalents) /shareholder's equity.*
10. *ROCE: Return on Capital Employed is calculated as EBIT (profit before tax + finance cost) divided by average capital employed ((opening capital employed +closing capital employed) /2), which is defined as average of Equity Fund plus debts plus lease liabilities.*
11. *ROE (Return on equity) is calculated as PAT/ Average Shareholder's Equity ((opening equity +closing equity)/2).*
12. *Fixed Assets Turnover Ratio is calculated as revenue from operations/average PPE.*
13. *Debtor Days is calculated as Trade Receivable as at the year-end/Revenue from Operations*365. Rounded off to the nearest integer.*
14. *Inventory Days is calculated as average inventory for the year ((opening +closing)/2)/cost of goods sold*365. Rounded off to the nearest integer.*
15. *Creditor Days is calculated as Trade payable as at the year-end/Cost of goods sold*365. Rounded off to the nearest integer.*
16. *Net Working Capital Days is calculated as Debtor Days + Inventory Days – Creditor Days.*

Explanation of the relevance of the above Key Financial Performance Indicators for the business operations of the Company are set forth below

S. no.	KPI	Explanation
1.	Revenue from Operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of company business.
2	Year on Year Growth in Revenue from Operations	Percentage Revenue from operations is used by management to track the growth in revenue from operation as compare with previous period and in turn helps to assess the overall growth in revenue and of the company.
3	Gross Profit	Gross profit is used by management to assess whether the company's business is profitable after meeting its operating cost.
4	Gross Profit Margin	Gross profit margin is used by management to tract and assess the growth in company's business as compare with previous year or with competitor.
5	EBITDA	EBITDA is used by management to assess that whether the company is generating sufficient profit after meeting operating expenses and overheads.
6	EBITDA Margin	EBITDA margins is largely used to compare the profitability of the company against last year margin, competitor and against the industry averages.
7	PAT	Profit after tax is used by the company to assess that the whether company is able to generate profit for the shareholders after meeting expenses as well as due taxes on profit.
8	PAT Margin	PAT margins is largely used to compare the profitability of the company against last year margin, competitor and against the industry averages.
9	Net Debt/Equity	Net Debt/Equity is used by the company to assess the leverage position of the company as compare with industry average or competitor.
10	ROCE	ROCE (Return on capital employed) indicates the company's efficiency because it measures the company's profitability after factoring in the capital that has been used to achieve that profitability.
11	ROE (Return on Equity)	ROE is considered a tool to compare profitability and how efficient the company is generating profits.
12	Fixed Assets Turnover Ratio	Fixed Assets Turnover ratio is used by the management of the company to assess that how effectively company uses its assets to generate revenue.
13	Debtor Days	Debtor's day's ratio is used by the management of the company to assess the number of times required for collection of amount from trade receivable.
14	Inventory Days	Inventory day's ratio is used by the management of the company to assess the number of days required/needed to convert the average inventory in to sales.
15	Creditor Days	Creditor day's ratio is used by the management of the company to assess the number of times required for payment to the trade payable.
16	Net Working Capital Days	Net working capital days is used by the management to assess the number of days required for conversion of working capital into sales.

For details of our other KPI disclosed elsewhere in this Draft Red Herring Prospectus and a discussion of how the KPI disclosed in this Draft Red Herring Prospectus have been used by the management historically to analyse, track or monitor the operational and/or financial performance of our Company, see "*Our Business – Key Performance*

Indicators" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*" on pages 147 and 262, respectively.

The members of the Audit Committee have, by way of a resolution dated July 13, 2023, confirmed that except as disclosed in this Draft Red Herring Prospectus, there are no additional key performance indicators pertaining to the Company have been disclosed to any shareholders of our Company and/or investors at any point of time during the three year period preceding the date of this Draft Red Herring Prospectus.

7. Comparison of our financial key performance indicators with listed industry peers

(in ₹ million)

Financial KPIs	**Credo Brand Marketing Limited("Mufti")**			**Aditya Birla Fashion and Retail Limited**			**Go Fashion (India)Limited**			**Arvind Fashions Limited**			**Kewal Kiran Clothing Limited**		
	Mar-23	**Mar-22**	**Mar-21**	**Mar-23**	**Mar-22**	**Mar-21**	**Mar-23**	**Mar-22**	**Mar-21**	**Mar-23**	**Mar-22**	**Mar-21**	**Mar-23**	**Mar-22**	**Mar-21**
Revenue from Operations[1]	4,981.82	3,411.72	2,448.26	1,24,179.00	81,362.20	52,489.20	6,652.80	4,013.13	2,506.69	44,210.80	30,560.40	22,011.80	7,794.50	6,076.10	3,027.30
Year on Year Growth in Revenue from Operations (%) [2]	46.02	39.35	(35.99)	52.62	55.01	(40.27)	65.78	60.10	(36.31)	44.67	38.84	(43.07)	28.28	100.71	(42.84)
Gross Profit[3]	2,862.42	1,941.05	1,197.87	68,659.20	44,160.50	26,859.60	4,437.71	2,658.26	1,585.08	21,293.90	13,462.30	9,141.80	4,071.80	3,196.34	1,440.21
Gross Profit Margin[4]	57.46	56.89	48.93	55.29	54.28	51.17	66.70	66.24	63.23	48.16	44.05	41.53	52.24	52.61	47.57
EBITDA[5]	1,638.50	950.97	484.82	15,004.20	11,022.60	5,544.10	2,122.86	1,190.15	463.49	4,526.40	1,801.60	(521.90)	1,517.80	998.52	190.44
EBITDA Margin[6]	32.89	27.87	19.80	12.08	13.55	10.56	31.91	29.66	18.49	10.24	5.90	(2.37)	19.47	16.43	6.29
PAT[7]	775.14	357.40	34.41	(360.00)	(1,183.60)	(7,360.00)	827.98	356.01	(35.38)	367.10	(2,367.00)	(5,959.90)	1,190.30	816.28	198.02
PAT Margin[8]	15.56	10.48	1.41	(0.29)	(1.45)	(14.02)	12.45	8.87	(1.41)	0.83	(7.75)	(27.08)	15.27	13.43	6.54
Net Debt / Equity[9] (Number of times)	0.65	0.44	0.62	1.76	1.44	1.15	0.07	0.47	0.77	1.20	1.16	3.27	(0.19)	(0.24)	(0.27)
ROCE[10]	28.16	17.31	5.86	4.64	3.22	(5.65)	21.45	11.83	3.45	13.72	0.71	(9.13)	27.84	21.07	5.76
ROE (Return on Equity)[11]	29.98	16.70	1.81	(1.18)	(4.37)	(39.66)	17.27	9.87	(1.24)	4.42	(42.04)	(103.49)	23.22	17.92	4.51
Fixed Assets Turnover Ratio[12] (Number of times)	9.79	8.64	5.83	15.14	13.49	8.62	8.93	6.55	4.22	40.50	19.55	8.84	8.85	7.59	4.01
Debtor Days[13]	101	132	183	26	34	51	40	55	69	46	68	104	80	103	158
Inventory Days[14]	154	154	173	235	234	300	326	333	370	144	175	300	137	104	162
Creditor Days[15]	73	91	101	253	335	338	50	48	43	162	224	264	47	68	105
Net Working Capital Days[16]	182	195	255	8	(67)	13	316	340	396	28	19	140	170	139	215

Notes:

1. *Revenue from operations is the total revenue generated by the Company from its operation.*
2. *Year-on-Year Growth in Revenue from Operations is annual growth in revenue from operation as compare with previous year revenue from operation (Revenue from operation of current year- Revenue from operation of previous year/ Revenue from operation of previous year*100).*
3. *Gross Profit is Revenue from operation-cost of goods sold.*
4. *Gross Profit Margin is Gross Profit/ Revenue from Operations*100.*
5. *EBITDA is calculated as Profit before tax + Depreciation & Amortisation + Finance cost – Other Income.*
6. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations*100.*
7. *PAT is mentioned as Profit after Taxes for the period.*
8. *PAT Margin is calculated as PAT/ Revenue from Operations*100.*
9. *Net Debt/Equity is calculated as (Total Long term & short term borrowings + lease liabilities -Cash and cash equivalents) /shareholder's equity.*
10. *ROCE: Return on Capital Employed is calculated as EBIT (profit before tax + finance cost) divided by average capital employed ((opening capital employed +closing capital employed) /2), which is defined as average of Equity Fund plus debts plus lease liabilities.*
11. *ROE (Return on equity) is calculated as PAT/ Average Shareholder's Equity ((opening equity +closing equity)/2).*

12. *Fixed Assets Turnover Ratio is calculated as revenue from operations/average PPE.*
13. *Debtor Days is calculated as Trade Receivables as at the year-end/Revenue from Operations*365. Rounded off to the nearest integer.*
14. *Inventory Days is calculated as average inventory for the year (opening value +closing value/2)/cost of goods sold*365. Rounded off to the nearest integer.*
15. *Creditor Days is calculated as Trade payables as at the year-end/Cost of goods sold*365. Rounded off to the nearest integer.*
16. *Net Working Capital Days is calculated as Debtor Days + Inventory Days – Creditor Days.*
17. *Financial information for our Company is derived from the Restated Consolidated Financial Information as at and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.*
18. *All the financial information for listed industry peer mentioned above is on a consolidated basis, except Go Fashion (India) Limited as there is no consolidation and is sourced from the annual audited financial results of the listed industry peer for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.*

8. Weighted average cost of acquisition ("WACA"), floor price and cap price

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

There have been no issuance of any Equity Shares or convertible securities, excluding issuance of bonus shares and equity shares pursuant to exercise of ESOP granted under ESOP Scheme 2020, 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 our 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.

(b) The price per share of the Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoters, Promoter Group, the Selling Shareholders or shareholder(s) having the right to nominate director(s) on our Board are a party to the transaction, 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 our 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.

(c) The price per share based on the last five primary or secondary transactions

Since there are no such transactions to report to under (a) and (b), therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoters / Promoter Group entities or Selling Shareholders or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction), not older than three years prior to the date of this DRHP irrespective of the size of transactions, is as below:

<u>Primary transactions:</u>

There have been no primary transactions in the last three years preceding the date of this DRHP.

<u>Secondary transactions:</u>

There have been no secondary transactions in the last three years preceding the date of this DRHP.

9. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by our Promoters or Promoter Group or Selling Shareholders or shareholder(s) having the right to nominate director(s) on the Board in the last 18 months or three years preceding the date of this Draft Red Herring Prospectus are disclosed below:

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in ₹)	Cap Price (in ₹)
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, during the 18 months preceding the date of filing of	NA*	[●] times	[●] times

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in ₹)	Cap Price (in ₹)
this DRHP, where such issuance is equal to or more than 5 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 granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days			
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares (equity/ convertible securities), where Promoter / Promoter Group entities or 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 filing of this DRHP, where either acquisition or sale is equal to or more than 5 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 granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA**	[●] times	[●] times
Since there were no primary transactions or secondary transactions of equity shares of the Company during the 18 months preceding the date of filing of this DRHP, the information has been disclosed for price per share of the Company based on the last five primary or secondary transactions (secondary transactions where Promoter /Promoter Group entities or Selling Shareholders or Shareholder(s) having the right to nominate director(s) on the Board of Directors of the Company, are a party to the transaction), not older than three years prior to the date of this DRHP irrespective of the size of the transaction			
Based on primary transaction	Nil	[●] times	[●] times
Based on secondary transaction	Nil	[●] times	[●] times

Note:

** There were no primary / new issue of shares (equity/convertible securities) other than Equity Shares issued pursuant to a bonus issue on April 7, 2023, in last 18 months and three years prior to the date of this DRHP.*

*** Since, there were no secondary sales / acquisition of shares (equity/ convertible securities) transactions in last 18 months from the date of this DRHP, therefore weighted average cost of acquisition is Nil or not applicable.*

10. Justification for Basis of Offer price*

The following provides an explanation to the Offer Price/Cap Price being [●] times of the weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoters, the Promoter Group, the Selling Shareholders or shareholder(s) having the right to nominate director(s) in the 18 months or three years preceding the date of this Draft Red Herring Prospectus compared to our Company's KPI and financial ratios for the and for the Financial Years 2023, 2022 and 2021:

[●]

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 or sold by our Promoters, the Promoter Group, the Selling Shareholders or shareholder(s) having the right to nominate director(s) in the 18 months or three years preceding the date of this Draft Red Herring Prospectus in view of external factors which may have influenced the pricing of the Offer, if any:

[●]

* *To be updated upon finalization of the Price Band.*

11. The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book

Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with "*Risk Factors*", "*Our Business*", *"Restated Consolidated Financial Information"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 23, 146, 196 and 260, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in "*Risk Factors*" on page 23 and any other factors that may arise in the future and you may lose all or a part of your investment.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS, IN INDIA

Date: July 10, 2023

To,

The Board of Directors
Credo Brands Marketing Limited
B-8, MIDC Central Road, Marol,
Andheri East,
Mumbai – 400093.

Dear Sirs,

Sub: Statement of possible special tax benefits ("the statement") available to Credo Brands Marketing Limited ("the Company") and its shareholders prepared in accordance with the requirements under 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").

We, Dileep & Prithvi ("**the Firm**") the independent chartered accountants, have been requested by the Company to certify Statement of Special Tax benefits available to the Company and its Shareholders under the applicable laws of India.

1. The accompanying statement of possible special tax benefits (as Annexure I) available to the Company and its shareholders (hereinafter referred to as the "**Statement**") under Income-tax Act, 1961 ('**IT Act'**) presently in force in India viz., the Income-tax Rules, 1962, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, possible special tax benefits under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("**GST Acts**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**") (together with IT Act, GST Acts and Customs Act "**Taxation Laws**"), as amended by the Finance Act 2023 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2023-24, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives of the Company and its shareholders face in the future, the Company and 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 the same would include those benefits as enumerated in the statement. 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 the 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 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.

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. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement.

Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

6. We do not express any opinion or provide any assurance whether:
   - The Company and its shareholders will continue to obtain these benefits in future;
   - The conditions prescribed for availing the benefits have been/would be met;
   - The revenue authorities/courts will concur with the views expressed herein.

7. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

8. This Statement is addressed to Board of Directors and BRLMs and issued at specific request of the Company for submission to the BRLMs to assist them in conducting their due-diligence and documenting their investigations of the affairs of the company in connection with the proposed Offer. This report may be delivered to SEBI, the stock exchanges, to the Registrar of Companies, Maharashtra at Mumbai or to any other regulatory and statutory authorities by the BRLMs only when called upon by SEBI or the stock exchanges in connection with any inspection, enquiry or investigation, as the case may be, to evidence BRLMs due diligence obligations pertaining to subject matter of this report or for any defense that the BRLMs may wish to advance in any claim or proceeding with SEBI or stock exchanges in connection with due diligence obligations of the BRLMs in the Offer pertaining to subject matter of this report. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Limitations

9. Our views expressed herein are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the limited use of Credo Brands Marketing Limited in connection with its initial public offer referred to herein above and shall not, without our prior written consent, be disclosed to any other person. This statement has been prepared solely in connection with the offering of Equity shares by the Company under the SEBI ICDR Regulations.

For Dileep & Prithvi
Chartered Accountants
ICAI FRN-122290W

Himmat Mal Mali
(Partner)
Membership No.183378
Place: Mumbai
UDIN: 23183378BGYPFX1055

ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CREDO BRANDS MARKETING LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE INDIAN TAX REGULATIONS ("TAX LAWS") IN INDIA

UNDER THE DIRECT TAX LAWS (THE INCOME TAX ACT, 1961)

1. Special tax benefits available to the Company

Credo Brands Marketing Limited ("the Company') is an Indian Company, subject to tax in India. The Company is taxed on its profits.

Profits are computed after allowing all reasonable business expenditure, laid out wholly and exclusively for the purposes of the business, including depreciation.

Considering the activities and the business of the Company, the following special tax benefits may be available to them.

a. Lower corporate tax rate - Section 115BAA of the Act

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for tax rate of 22% plus surcharge @ 10% and health and education cess @ 4% (effective tax rate of 25.168%) for the financial year 2019-20 and onwards, provided the total income of the company is computed without claiming certain specified deductions and specified brought forward losses and claiming depreciation determined in the prescribed manner.

In case a company opts for section 115BAA, provisions of Minimum Alternate Tax (MAT) would not be applicable and earlier year MAT credit will not be available for set – off.

The option needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other subsequent assessment year.

Further, if the conditions mentioned in section 115BAA are not satisfied in any financial year, the option exercised shall become invalid for assessment year in respect of such financial year and subsequent assessment years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

The company has represented to us that they have opted section 115BAA of the Act for AY 2020-2021 and onwards.

b. Deduction in respect of employment of new employees:

In accordance with and subject to the conditions specified under Section 80JJAA of the Act, a company is entitled to a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a financial year, for 3 consecutive assessment years including the assessment year relevant to the financial year in which such additional employment cost is incurred.

Additional employee cost means the total emoluments paid or payable to additional employees employed in the financial year. The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower effective tax rate of 25.168% as per the provisions of section 115BAA of the Act (as discussed above).

The company should be eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to sub-section (2) of section 80JJAA of the Act and satisfies the conditions as mentioned in the said section.

c. Deductions from the Gross Total Income – Deduction under Section 80M of the Act:

As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company or a business trust shall be eligible for deduction while computing its total income for the relevant year. A deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the date one month prior to the due date of filing return of income under sub-section (1) of section 139.

2. Special tax benefits available to shareholders.

a. Dividend income will be subject to tax in the hands of shareholders at the applicable slab rate / corporate tax rate (plus applicable surcharge and cess) or as per the applicable Double Tax Avoidance Agreements (as shall be relevant).

b. In case of dividend income earned by domestic shareholders, reported under the head "Income from other sources", shall be computed after making deduction of a sum paid by way of interest on the capital borrowed for the purpose of investment. However, no deduction shall be allowed from the dividend income, other than deduction on account of interest expense, and in any financial year such deduction shall not exceed 20% of the dividend income under section 57 of the Act.

c. As per section 2(29AA) read with section 2(42A) of the Act, a listed equity share is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

d. Long term capital gains on transfer on shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 112A of the Act at 10% (plus applicable surcharge and cess). The benefit of indexation of costs shall not be available.

e. Short term capital gains arising on transfer of shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 111A of the Act at 15% (plus applicable surcharge and cess).

f. Non-resident shareholders including foreign portfolio investors may choose to be governed by the provisions of Double Taxation Avoidance Agreement, to the extent they are more beneficial and subject to provision of the prescribed documents.

Notes:

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

b. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income-tax consequences that apply to them.

c. Surcharge rate shall be maximum 15% in case of dividend income and capital gains.

d. Health and Education Cess ('cess') @ 4% on the tax and surcharge as shall be applicable, is payable by all category of taxpayers.

e. We understand that the Company has opted for concessional income tax rate under section 115BAA of the Act. Accordingly, surcharge shall be levied at the rate of 10% irrespective of the amount of total income.

f. We understand that the Company has opted for concessional tax rate under section 115BAA of the Act. Hence, it will not be allowed to claim any of the following deductions;

i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone).

ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation).

iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund).

iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research).

v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project).

vi. Deduction under section 35CCD (Expenditure on skill development)

vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA and section 80M;

viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;

ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above.

x. Further, it is also clarified in section 115JB (5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

g. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

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UNDER THE INDIRECT TAX LAWS

1. **Special tax benefits available to the Company**

   There are no special indirect tax benefits available to the Company under Indirect Tax Laws.

   1. **Special tax benefits available to shareholders**

   i. The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company.

   ii. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.

   Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and circulars issued there under.

Notes:

i. This Statement covers only certain relevant Indirect tax law benefits and does not cover any other benefit under any other law.

ii. These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed.

iii. Under the relevant provisions of the Indian Indirect Tax Regulation. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

iv. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences 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 issue.

The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

______________________________****______________________________

SECTION VI: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Industry Report on Men's Western Apparel in India", dated July 11, 2023 and released by Technopak Advisors Private Limited ("**Technopak Report**"). We commissioned and paid for the Technopak Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available to provide a comprehensive industry analysis, particularly for our Company's services. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year, refers to such information for the relevant year. For the disclaimers associated with the Technopak Report, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation– Industry and Market Data" on page 13. Also, see "Risk Factors - The industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Technopak Advisors Private Limited exclusively commissioned and paid for by us for our understanding of the industry exclusively in connection with the Offer." on page 47. The Technopak Report is available on the website of our Company at https://www.credobrands.in/investors. All references to years in this section are to either calendar years or fiscal years and the same has been specified adequately in this section. Any reference to 'expert' or 'experts' in this section are not 'Experts' as defined under Section 2(38) of the Companies Act, 2013 or the U.S. Securities Act.*

1. Overview of Global and Indian Economy

1.1. Macroeconomic Overview - GDP and GDP Growth

India ranked as the world's 5th largest economy in FY 2022, and expected to be in top 3 global economies by FY 2030

India ranked fifth in the world in terms of nominal gross domestic product ("GDP") for FY 2022, and is the third largest economy in the world in terms of purchasing power parity ("PPP"). India is expected to be ~USD 5 trillion economy by FY 2027 and is estimated to be the third largest economy by FY 2030 surpassing Germany and Japan.

Exhibit 1.1: GDP at current prices (In USD Tn) and GDP Ranking of Key Global Economies (CY 2021)

Country	Rank in GDP (CY 2021)	Rank in GDP (PPP)	CY 2010	% Share	CY 2015	% Share	CY 2021	% Share	CY 2024P	CAGR (2021-2024P)
USA	1	2	15	22.5%	18.2	24.2%	23.3	24.1%	27.4	5.55%
China	2	1	6.1	9.2%	11.1	14.8%	17.7	18.3%	21.1	6.03%
Japan	3	4	5.7	8.6%	4.9	5.9%	4.9	5.1%	5.3	2.65%
Germany	4	5	3.4	5.1%	3.7	4.5%	4.3	4.5%	5.1	5.85%
India	**5**	**3**	**0.9**	**1.4%**	**1.6**	**2.3%**	**3.0**	**3.1%**	**4.2**	**12.08%**
UK	6	10	2.5	3.8%	2.6	3.9%	2.9	3.0%	3.4	5.45%
Brazil	12	8	2.2	3.3%	1.8	2.4%	1.6	1.7%	2	7.72%
Russia	11	6	1.5	2.3%	1.4	1.9%	1.8	1.9%	1.9	1.82%

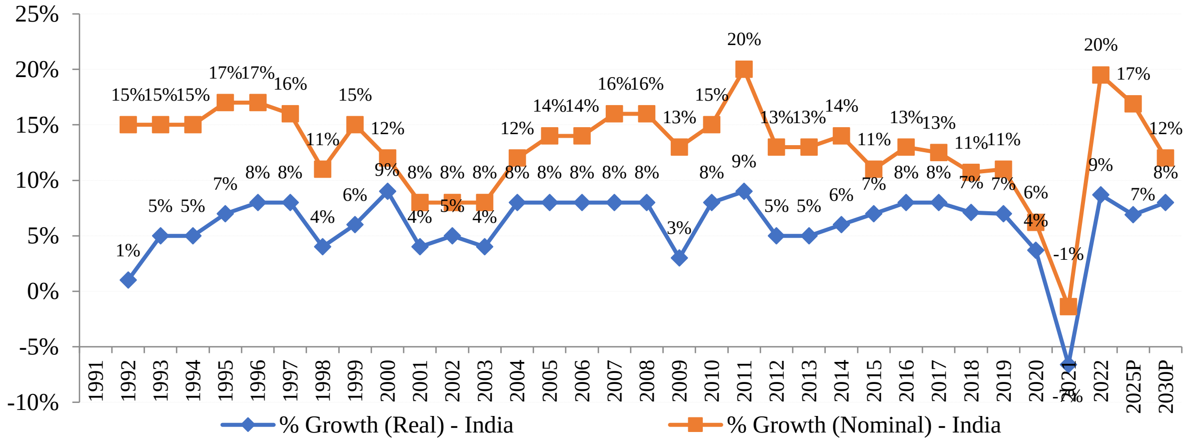
Source: World Bank Data, RBI, Technopak Analysis. CY 2021 for India refers to FY 2022 data.

The robust consumption growth of India is outpacing the GDP growth. The re-opening of India's economy gave a boost to private consumption trends, and increased exports had a big impact on the GDP growth. Increasing urbanization which is driven by better standards of living and opportunities, higher Gross National Income (GNI), nuclearization, digitalization and premiumization are the factors contributing to higher growth in GDP.

India's GDP Growth almost twice as that of the World Economy

Since FY 2005, the Indian economy's growth rate had been twice as that of the world economy and it is expected to sustain this growth momentum in the long term. From FY 2022 to FY 2025, India's real GDP is expected to grow at a CAGR of 6.4%, which compares favorably to the world average (2.7%) and with other major economies, including China (4.0%) and the USA (1.1%) for the similar period of CY 2021 to CY 2024. In the wake of COVID-19, India's nominal GDP contracted by approximately 1% in FY 2021 but is expected to bounce back and reach USD 4.2 Tn by FY 2025. It is also expected that the growth trajectory of Indian economy will enable India to be among the top 3 global economies by FY 2030. Several factors are likely to contribute to economic growth in the long run. These include favorable demographics, reducing dependency ratio, rapidly rising education levels, steady urbanization, growing young & working population, IT revolution, increasing penetration of mobile & internet infrastructure, increasing aspirations and affordability etc.

Exhibit 1.2: Historical GDP Growth (%) (in FY)

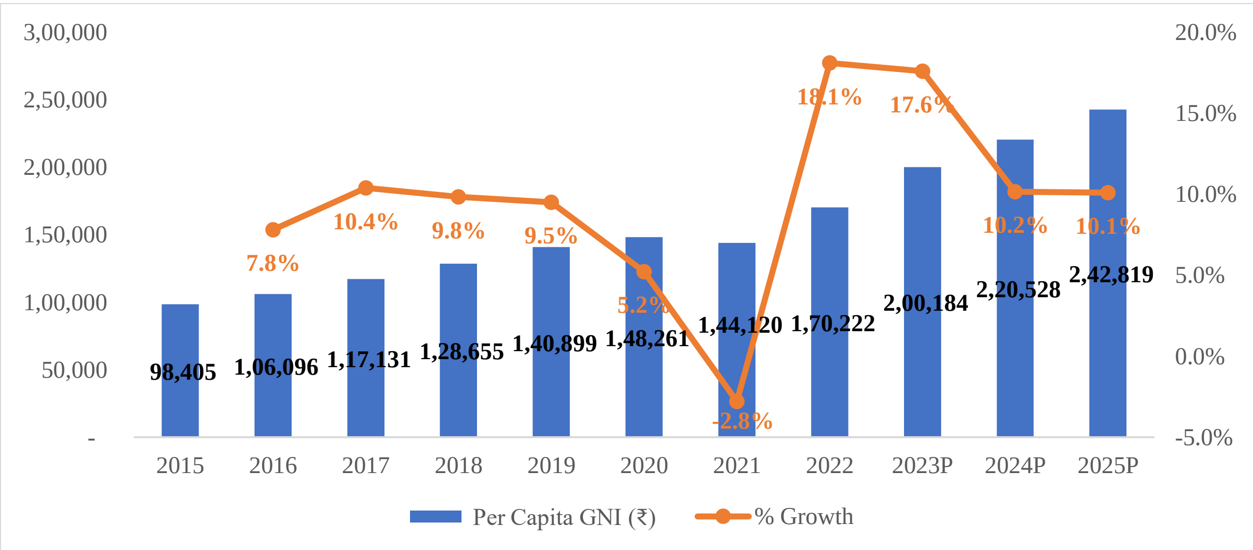


Source: RBI Data, World Bank, IMF
**2012- GDP Spike in Real growth rate due to change of base from 2004-05 to 2011-12. Hence excluded from decadal growth rate as well*

Per Capita Income Growth

India's income growth is one of the strongest drivers for higher private consumption trends.

Exhibit 1.3: India's GNI Per Capita (INR) (Current Prices)

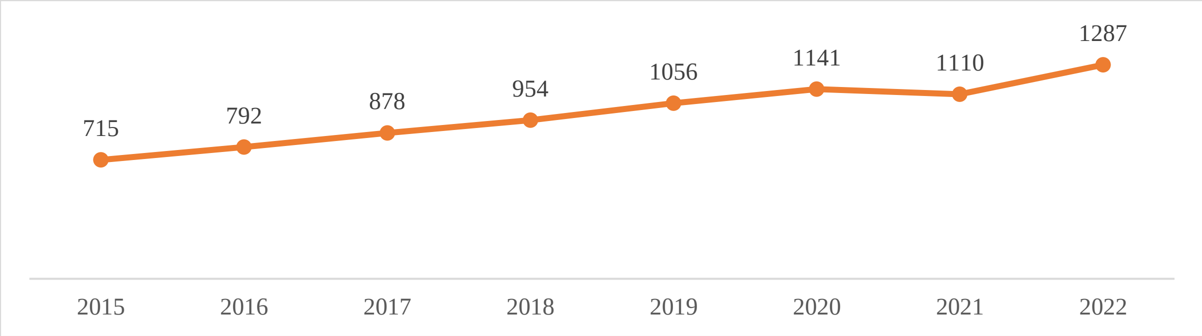


Year indicates FY
Source: RBI, IMF projections

Per Capita Final Consumption Expenditure

The Per Capita Final Consumption Expenditure had shown a significant growth pre COVID. In FY 2020, the average Per Capita Final Consumption expenditure was valued to be around USD 1,141, a steep increase from USD 715 in FY 2015. Due to emergence of COVID-19 in FY 2020, there was an approximately 3% drop in the Per Capita Final Consumption Expenditure, to USD 1,110 in FY 2021 but it recovered at a rate of 16% to reach USD 1,287 in FY 2022.

Exhibit 1.4: India's Per Capita Consumption Expenditure in FY (Current Prices USD Bn)



Source: RBI, Technopak Research & Analysis
1USD = INR 80

1.2. Share of Spend on Apparel

In FY 2022, India private consumption accounted for 59.6% of the total GDP. Nearly 52% of total private consumption was contributed by service industry sectors such as Healthcare, Travel, Hospitality, Food Services etc. and the rest 48% was contributed by merchandise retail comprising of Food & Grocery (32.4%), Jewellery (3.2%), Apparel & Accessories (3.1%), Consumer Durables and Information Technology (3.0%) etc.

Exhibit 1.5: Share of categories in total private consumption for FY 2022

Broad Category	Share in Household Expenditure	Category	Share of Wallet
Merchandise Retail	~48%	Food and Grocery	32.5%
		Jewellery	3.2%
		Apparel & Accessories	2.9%
		Non Apparel Accessories and Watches	0.3%
		Footwear	0.5%
		Pharma & Wellness	1.4%
		Consumer Durables & Information Technology	3.0%
		Home & Living	1.8%
		Others Retail Categories	2.4%
Services	~52%	Healthcare, Travel, Hospitality etc.	52%

Source: Technopak Analysis

1.3. Key growth drivers

1. Demographic profile of India

India has one of the youngest populations globally compared to other leading economies. The median age in India was estimated to be 28.7 years for FY 2022 as compared to 38.5 years and 38.4 years in the United States and China, respectively, and is expected to remain under 30 years until 2030. With a growing young population, India as a developing nation is a faster growing market than the developed nations such as USA, UK, and Canada in terms of retail consumption related trends. The youth of the country and their increasing interests in entertainment and lifestyle activities is a major driver in the growth of discretionary spending and retail of outdoor and travel related products. The younger population is naturally pre-disposed to adopting new trends and exploration given their educational profile and their exposure to media and technology, which presents an opportunity for domestic consumption in the form of branded products and organized retail.

Exhibit 1.6: Median Age: Key Emerging & Developed Economies in (CY 2022)

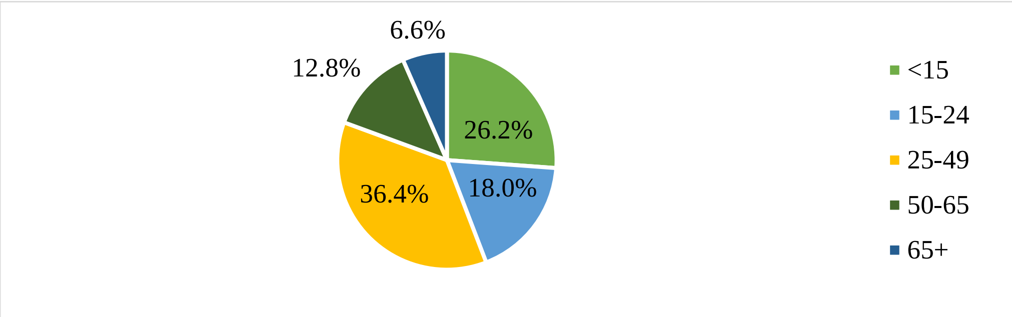
Country	India	China	USA	Singapore	Russia	South Korea	Canada	UK
Median Age (Yrs.)	28.7	38.4	38.5	35.6	40.3	43.2	41.8	40.6

Source: World Population Review, Technopak Analysis

More than half of India's population falls in the 15-49 year age bracket

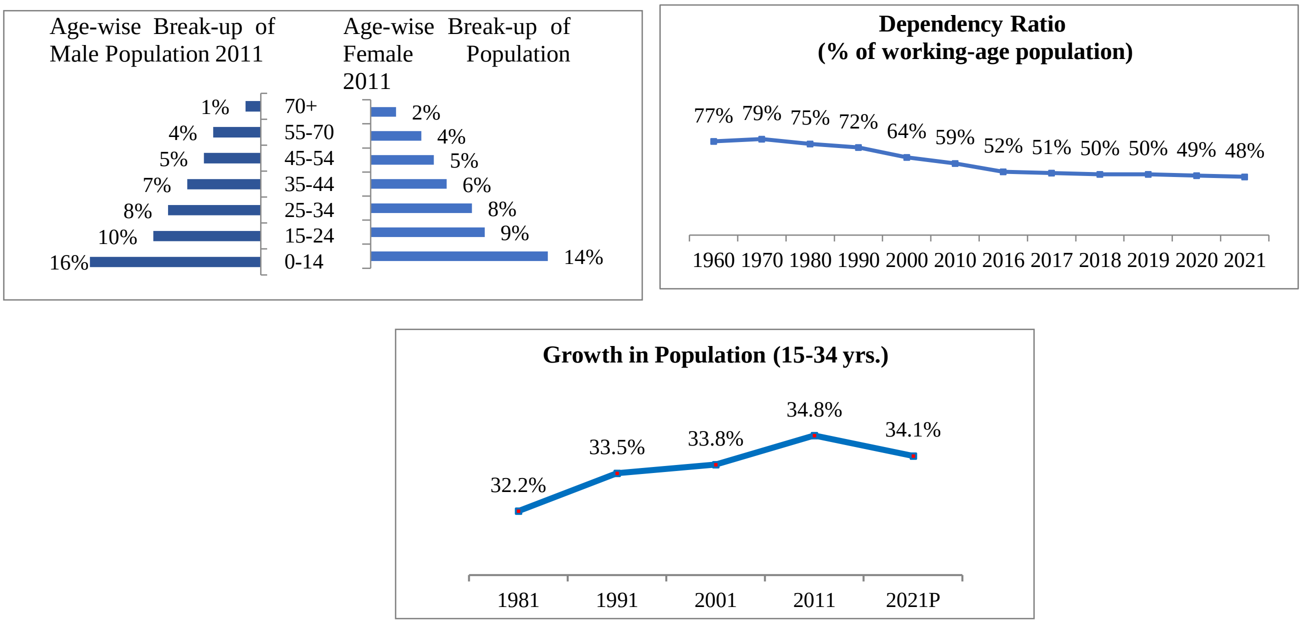
India is home to around 1.38 billion people which is about one sixth of the world's population. 54% of the total population is between 15 to 49 years while 80% of the population is below 50 years old. This indicates that India's youth and working age population contribute to the positive demographics.

Exhibit 1.7: India's age demographics (CY 2020) (Population in Mn)



Source: Technopak Estimates

Exhibit 1.8: Age Dependency Ratio (CY)



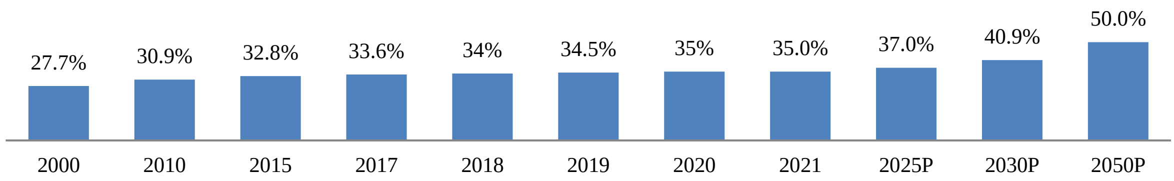
Source: Census of India 2011, World Bank, MOSPI
Age wise break up of population not adding up to 100% due to rounding off

2. Urbanization

35% of India's population is classified as urban compared to a global average of ~57%. However, it is the pace of India's urbanization that is a key trend to note for implication on India's economic growth. Currently urban population contributes 63% of India's GDP. Going forward, it is estimated that 37% (519 Mn.) of India's population will be living in urban centres by CY 2025.

Exhibit 1.9: Increasing urbanization in India (CY)

Urban Population (% of total)



Source: World Bank, Technopak Analysis

Exhibit 1.10: Urban Population as Percentage of Total Population of Key Economies (CY 2021)

Country	World	India	China	USA	Singapore	Russia	Malaysia	Vietnam	UK
Urban Population Share	57%	35%	63%	83%	100%	75%	78%	38%	84%

Source: World Bank

India's urbanization trend will also witness the following sub-trends:

- This growth of urbanization will witness people moving into cities from rural hinterlands, from smaller towns to bigger cities and from one city to the other due to nuclearization of the family. These are likely to grow the urbanities that will display "migrant tendencies" within the city. They will be less attachment to past baggage of habits or bound by any rigid rules viz. food or retail preferences. They will be open to experimentation and form new habits.
- India's urbanization faces challenges in terms of formal housing, access to utilities and adequacy and capacity of public spaces. 100 Mn. of Indian population lives in slums or informal establishments and this is expected to increase to 120 Mn. by 2031. Merely 35% of urban households are connected to central sewage systems thereby creating stress on sanitation. Improving these aspects through public infrastructure development programs and upgradation of city's infrastructure will witness continued policy focus and that in turn will witness inward movement of people to implement these programs. However, the funding priorities and pace of change will witness a lag from the urgency of improving the status quo and the next decade will witness this churn of India's urbanization trajectory.

3. *Growing Middle Class*

Increase in number of households with annual earnings of USD 10,000 to USD 50,000 has led to an increase in discretionary spending on food and beverages, apparel & accessories, luxury products, consumer durables and across other discretionary categories. Upward mobility in households is a trend reflected in India’s lower income households shifting towards middle class owing to rising incomes.

Exhibit 1.11: Household Annual Earning Details

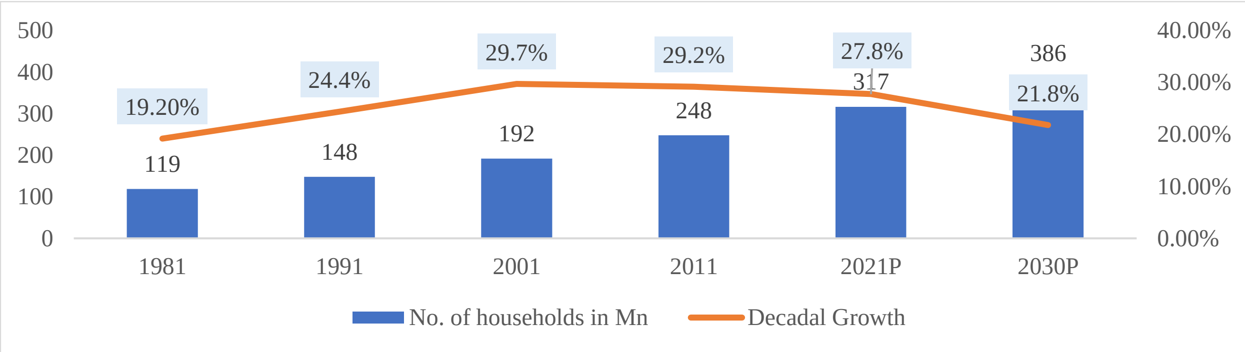
Year	Total House Holds (in Mn.)	HHs with Annual earning less than USD 5000	HHs with Annual earning USD 5,000 - 10,000	HHs with Annual earning USD 10,000 – 50,000	HHs with Annual earning greater than USD 50,000
2009	236	187.9	35.9	11.1	1.2
2010	240	181.8	42.9	14	1.2
2012	254	170.2	60.5	22.1	1.3
2014	267	167.1	70.8	27.2	1.9
2015	274	151	84.7	36.2	2.2
2018	295	84.1	121.5	86.4	3
2020	310	79.4	131.8	94.9	4
2030P	386	69.5	142.8	162.1	11.6

*Source: EIU, *Technopak Estimates*

4. *Nuclearization*

The decadal growth in the number of households of 27.8% exceeds population growth of 15.4% from FY 2011 to FY 2021, which indicates an increase in nuclearization in India. Average household size was 4.2 in FY 2021 and is projected to reduce to 3.9 by FY 2030. 69% of households had less than five members in FY 2011 as compared to 62% in FY 2001. It is expected that that smaller households with higher disposable income will lead to a greater expenditure in, among others, jewellery, fashion, home & living, packaged food and food services.

Exhibit 1.12: Total number of households in India



Source: Census, Technopak Analysis
Note: Decadal growth for period 2021)-2030P reflects a 9-year period

1.4. Key growth drivers of Digitization in India

1. Increased digital penetration and affordable mobile data cost

Exhibit 1.13: Growth of digital penetration in India (in FY)

Particulars	2010	2015	2020	2021	2022	2025 (P)	CAGR 2015-22	CAGR (2022-25P)
Total Internet Users (Mn)	72	350	687	778	825	900-1000	13%	~5%
Mobile Internet Users (Mn)	24	159	480	754	798	850-950	26%	2-5%
Mobile internet Users as a share of Total Internet Users (%)	34%	45%	70%	97%	97%	~97%	-	-

Source: TRAI, Technopak Analysis, Secondary Research

India is known to have one of the cheapest mobile data plans across the world. The country falls among the top 30 countries to have the cheapest mobile data. With the affordability of cheap 4G data, there's an advent of a new digital age for the country.

2. Both urban and rural India, undergoing a digital transformation

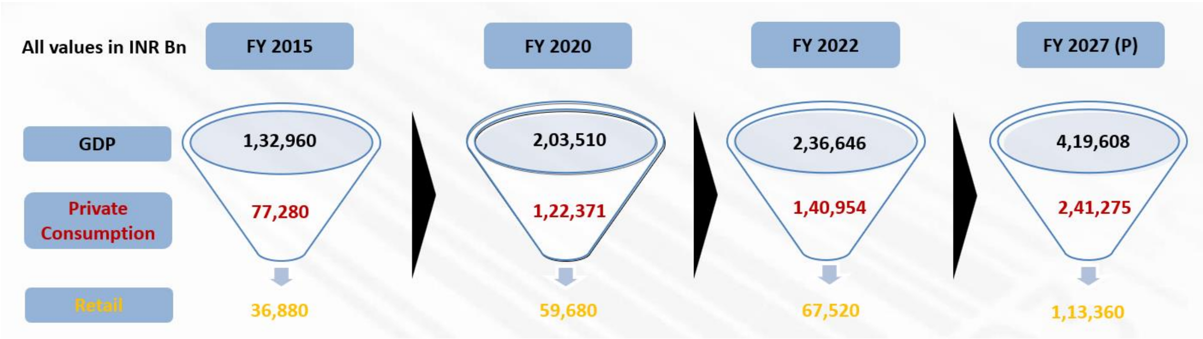
India has also witnessed growth in internet penetration and mobile connectivity resulting in increased online presence of the Indian population directly resulting in a boom in e-commerce, social commerce, mobile payments etc. India recorded 1.15 Bn mobile subscribers as of September 2022 of which 627 Mn subscribers are from urban regions and 518 Mn subscribers from rural regions. Smartphones now act as a catalyst for digital penetration across Tier-2 and Tier-3 markets in India.

2. Apparel Retail in India

2.1 Retail Market in India

Retail Market in India was valued at INR 36,880 Bn (USD 461 Bn) in FY 2015 and reached a value of INR 59,680 Bn (USD 746 Bn) in FY 2020, growing at 10.1% CAGR over this period. The market was valued at INR 67,520 Bn (USD 844 Bn) in FY 2022 and is projected to grow at a CAGR of 10.9% to reach INR 1,13,360 Bn (USD 1,418 Bn) by FY 2027.

Exhibit 2.1: India's Consumption Funnel in FY 2015, 2020, 2022 & 2027 (in INR Bn.)



Source: Technopak Analysis. 1US$ = INR 80

Retail Size – Overall & across Key Categories

In Fiscal 2022, India's retail basket was approximately 48% of its private consumption and it is expected to maintain roughly this share in private consumption for the next five years. The apparel and accessories market in India was estimated at ~INR 4,120 billion as of FY 2022 and was one of the largest segments of the Indian retail sector. The share of Apparel & Accessories in overall retail is expected to reach 9.4% from 7.5% in FY 2020, and 6.1% in FY 2020. Apparel and Accessories is also expected to be the fastest growing sector in the retail basket, with an estimated CAGR of 21% from FY 2022-27.

Exhibit 2.2: Share of various categories in overall Indian Retail Basket in FY (in INR Bn)

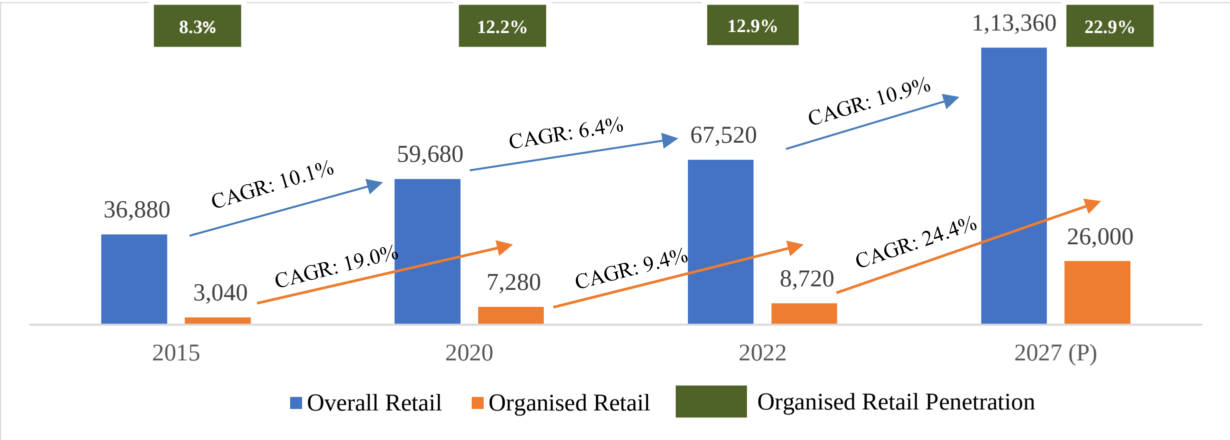
**Non-Apparel Accessories includes Bags, Belts and Wallets; Others include Books & Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages & Tobacco etc. Source: Technopak analysis; Year Indicates FY. 1US$ = INR 80*

Channel wise Retail Market

While organized retail, primarily brick & mortar, has been in India for 2 decades now, its contribution to total retail was low at 12.2% (INR 7280 Bn) in FY 2020 and 12.9% (INR 8720 Bn) in FY 2022. The organized retail penetration is expected to increase to ~23% by FY 2027.

Exhibit 2.3: Overall Retail Market in FY (INR Bn)

Type of Categories	Categories	FY 2015	FY 2020	FY 2022	FY 2027 (P)	CAGR (FY 2015 -FY 2020)	CAGR (FY 2020 -FY 2022)	CAGR (FY 2022 -FY 2027)
	Total Retail (INR Bn)	**36,880**	**59,680**	**67,520**	**1,13,360**	**10.1%**	**6.3%**	**10.9%**
Need based	Food and Grocery	66.5%	64.7%	67.6%	59.4%	9.5%	8.7%	8.1%
	Pharmacy & Wellness	3.0%	2.9%	3.0%	3.2%	9.3%	8.4%	12.0%
Primary Non-Food	**Apparel & Apparel Accessories**	**7.5%**	**7.5%**	**6.1%**	**9.4%**	**10.1%**	**-4.1%**	**21.0%**
	Non-Apparel Accessories*	0.6%	0.6%	0.5%	0.7%	10.1%	-4.1%	20.4%
	Jewellery	7.2%	7.5%	6.6%	8.7%	11.0%	-0.5%	17.3%
	Consumer Electronics	5.5%	6.4%	6.3%	7.8%	13.5%	5.0%	16.0%
	Watches	0.2%	0.2%	0.2%	0.2%	10.1%	-3.3%	17.1%
Other Non-Food	Home & Living	4.5%	4.3%	3.7%	4.6%	9.1%	-0.4%	15.4%
	Footwear	1.3%	1.2%	1.0%	1.3%	8.3%	-5.1%	18.0%
	Others	3.7%	4.7%	5.0%	4.7%	15.5%	10.4%	9.2%
	Total	**100%**	**100%**	**100%**	**100%**			



Source: Technopak Analysis

Consumption of Retail basket across key Categories

Apparel & Apparel Accessories, Jewelry and Consumer Electronics are the three key categories which accounted for 6.1%, 6.6% and 6.3% of retail respectively in FY 2022. The share of Apparel & Apparel Accessories is expected to reach 9.4% in FY 2027, and it is expected to be the fastest growing category with projected CAGR of 21.0% from FY 2022 to FY 2027. Non-apparel accessories are expected to grow at a CAGR of 20.4% in the same time period, followed by Footwear at a CAGR of 18%.

It is estimated that the share of e-commerce retail in Apparel and Apparel Accessories segment will reach 24.0% of the market in FY 2027 from 22.0% in FY 2022.

Exhibit 2.4: Share of Brick & Mortar and E-commerce across Categories in FY (in INR Bn)

	FY 2020				FY 2022				FY 2027 P			
	Retail Size (INR Bn)	**Share of Unorganised retail**	**Share of organised B&M Retail**	**Share of organised E-commerce**	**Retail Size (INR Bn)**	**Share of Unorganised retail**	**Share of organised B&M Retail**	**Share of organised E-commerce**	**Retail Size (INR Bn)**	**Share of Unorganised retail**	**Share of organised B&M Retail**	**Share of organised E-commerce**
Food and Grocery	38,614	95.0%	4.4%	0.5%	45,672	94.5%	4.0%	1.5%	67,408	88.5%	6.6%	4.9%
Apparel & Apparel Accessories	4,480	68.0%	14.5%	17.5%	4,120	65.0%	13.0%	22.0%	10,683	52.0%	24.0%	24.0%
Non-Apparel Accessories*	344	68.0%	14.5%	17.5%	320	65.0%	13.0%	22.0%	808	52.0%	23.7%	24.3%
Watches	136	35.0%	46.8%	18.2%	128	34.0%	45.5%	20.5%	280	28.0%	48.0%	24.0%
Jewellery	4,504	68.0%	29.7%	2.3%	4,464	66.0%	28.1%	5.9%	9,912	58.0%	32.8%	9.2%
Consumer Electronics	3,840	68.0%	5.0%	27.0%	4,224	65.0%	7.5%	27.5%	8,864	52.0%	13.0%	35.0%
Home & Living	2,544	85.0%	7.0%	8.0%	2,528	78.0%	7.8%	14.2%	5,160	68.0%	10.9%	21.1%
Pharmacy & Wellness	1,718	89.3%	8.5%	2.2%	2,016	85.0%	11.0%	4.0%	3,576	77.5%	13.3%	9.2%
Footwear	720	70.0%	14.0%	16.0%	648	66.0%	15.5%	18.5%	1,480	58.0%	19.0%	23.0%
Others	2,780	90.0%	5.0%	5.0%	3,400	85.0%	7.0%	8.0%	5,192	80.0%	8.0%	12.0%

Total Retail	**59, 680**	**87.8%**	**7.7%**	**4.5%**	**67,5 20**	**87.1%**	**7.1%**	**5.8%**	**1,13, 360**	**77.1%**	**11.9 %**	**11.0 %**

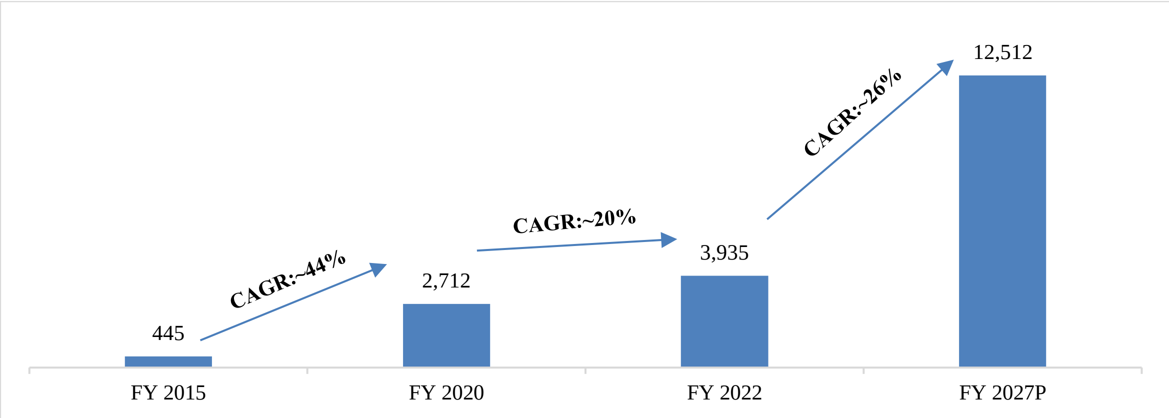
**Non-Apparel Accessories include Bags, Belts, Wallets. Source: Technopak Analysis. 1US$ = INR 80*

Overall, the e-commerce market in India has witnessed an accelerated growth and is expected to reach 11.0% (INR 12,512 Bn) of the total retail market by FY 2027 from its share of 5.8% in FY 2022 (INR 3,936 Bn) at a CAGR of 26%.

2.2 Emergence of E-commerce in Retail

E-tail in India has witnessed a rapid growth trajectory and is expected to reach ~11% (INR 12,512 Bn) of total retail by FY 2027 from its share of 5.8% in FY 2022 (INR 3,935 Bn) with projected growth CAGR of 26%. Between 2015 and 2020, e-commerce sales have grown at CAGR of 44%. Apparel and Apparel Accessories had the 2nd highest share of e-commerce among all categories at 22% for FY 2022. It follows the category Consumer Electronics at 27.5% e-commerce share for FY 2022.

Exhibit 2.5: Growth of E-retail in India in FY 2015, FY 2020, FY 2022, FY 2027P (in INR Bn)

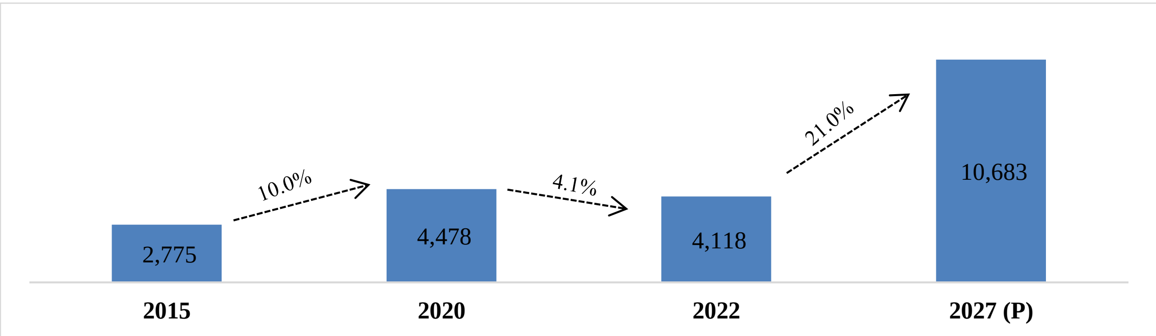


Source: Technopak Analysis

2.3 India Apparel Market Size & Level of Organization

Apparel market size in India was valued at INR 4,118 Bn (USD 51.5 Bn) in FY 2022 and projected to grow at a CAGR of ~21.0% between FY 2022 and FY 2027 to reach INR 10,683 Bn (USD 133.5 Bn) by FY 2027 on the back of factors like higher brand consciousness, increasing digitization, greater purchasing power and increasing urbanization.

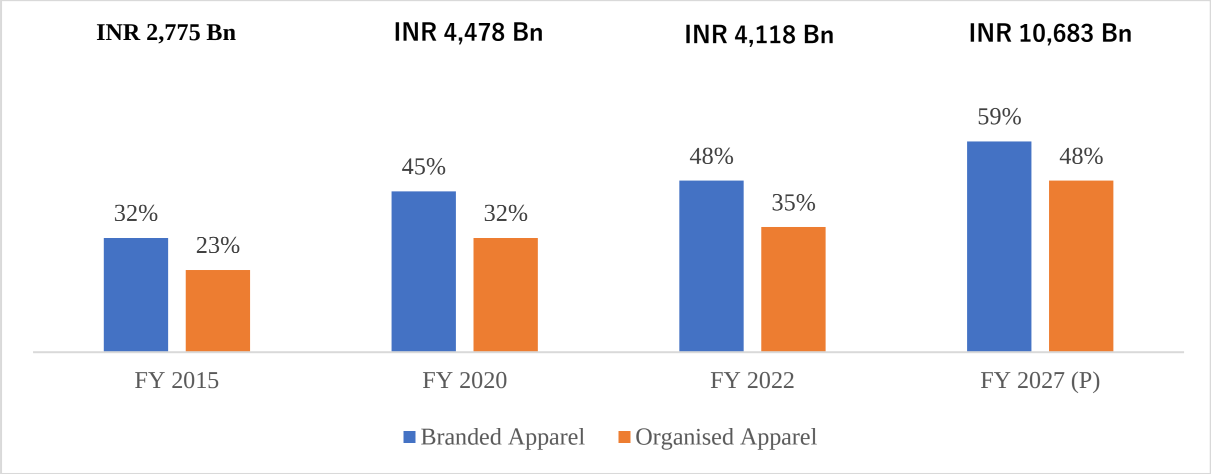
Exhibit 2.6: Apparel Market Size in India (in INR Bn) (Year in FY)



Source: Technopak Analysis. Note: Year indicates FY; Excludes accessories (Bags, Belts, Wallets etc.)

While the CAGR of total apparel market between FY 2022 and FY 2027 is expected to be 21.0%, the branded apparel and organized apparel retail are expected to grow at CAGR of 26.1% and 28.9% respectively in the same period, i.e., the growth of both branded apparel share and organized apparel retail share in apparel category will outpace the overall category growth.

Exhibit 2.7: Branded Apparel and Organized Apparel Retail as a share of Apparel Market (Year in FY)

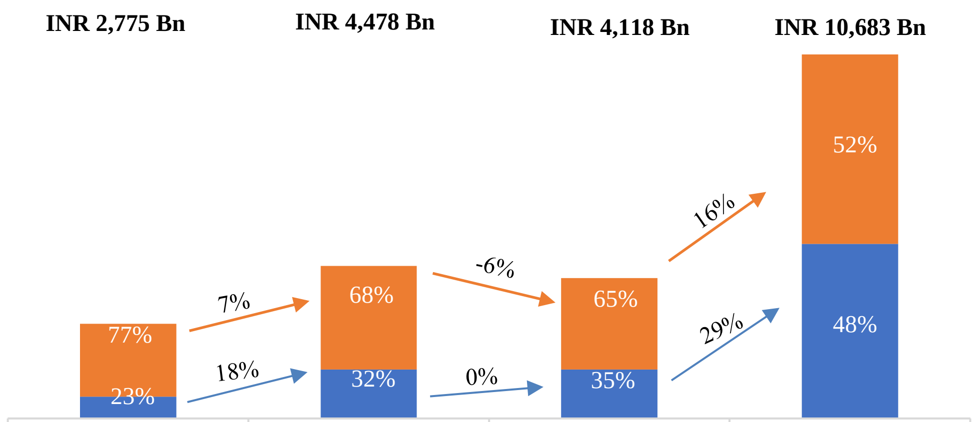


Source: Technopak Analysis

Branded apparel signifies registered trademarks that are regularly patronized by customers and that are sold through both organized retail and trade channels. Organized retail signifies formal retail channels of Exclusive Brand Outlets (EBOs), Multi Brand Outlets (MBOs), Large Format Stores (LFS), E-commerce etc. Apparel retailed through these organized retail points of sales is necessarily branded. Therefore, organized share is less than the share of Branded apparel in total share.

The share of organised retail in apparel has witnessed a steady increase over the past years. The share of organised sector in apparel was 23% in FY 2015 increased to 32% in FY 2020 and 35% in FY 2022, is expected to reach 48% by FY 2027.

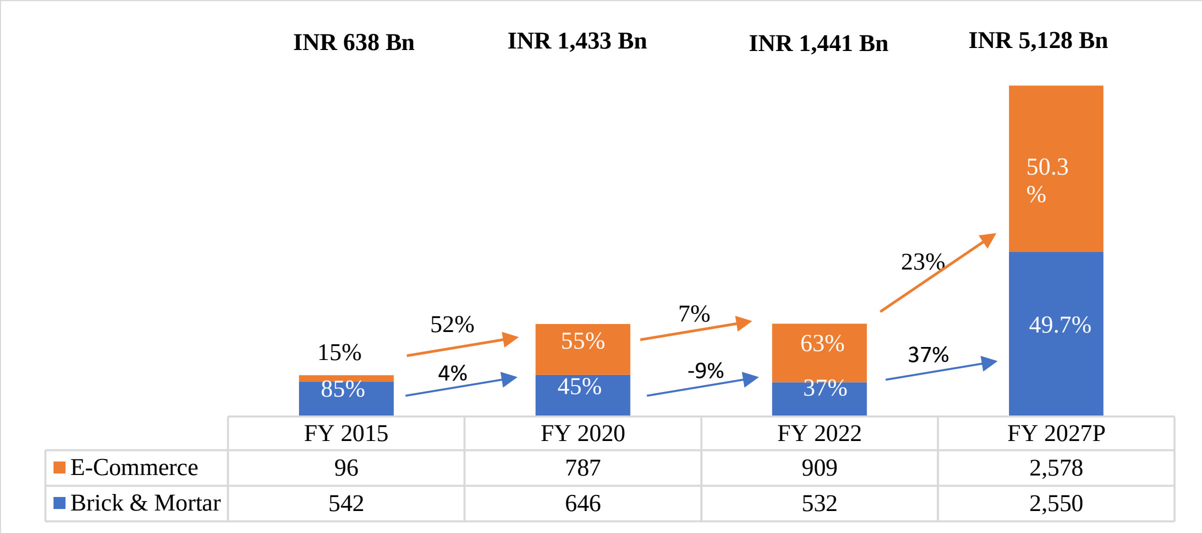
Exhibit 2.8: Share of Organised and Unorganised Retail as a percentage of Apparel Market (in INR Bn) – FY 2015, 2020, 2022, 2027P



	FY 2015	FY 2020	FY 2022	FY 2027P
Unorganised Retail	2,137	3,045	2,677	5,555
Organised Retail	638	1,433	1,441	5,128

Source: Technopak Analysis

Exhibit 2.9: Share of Brick & Mortar (B&M) vs E-Commerce in the Organised Apparel Market (in INR Bn) – FY 2015, 2020, 2022, 2027P

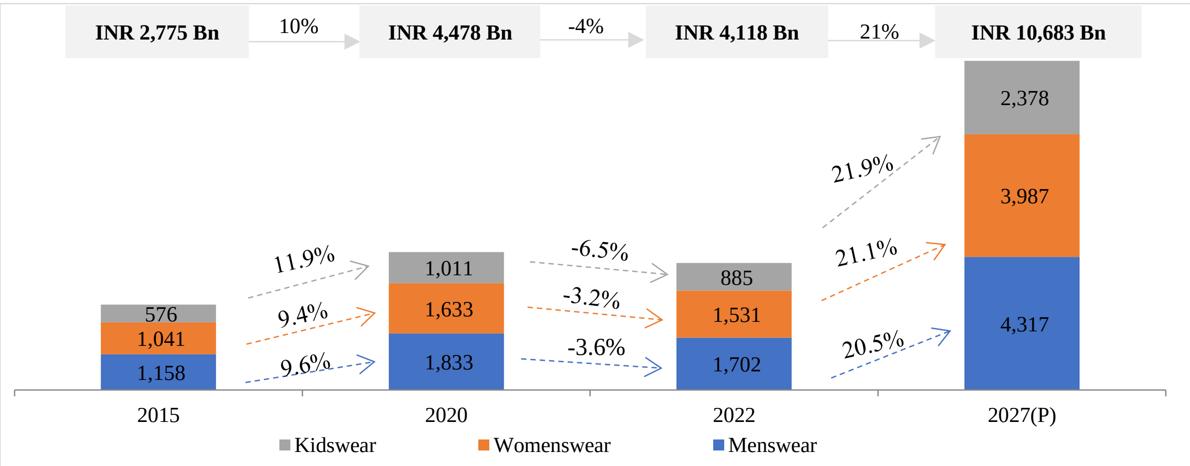


Source: Technopak Analysis

Product Segmentation

Men's apparel constituted ~41% and Women apparel share was estimated to be ~37% of the total apparel market in FY 2022. The balance ~21% was contributed by kids' apparel. Out of the total apparel market, Ethnic wear accounted for approximately 30% or INR 1,244 Bn (US$ 15.6 Bn) (FY 2022) and the balance 70% of the market comprised of western wear at INR 2,873 Bn (US$ 35.9 Bn). The high share of Ethnic wear in the total apparel is a unique feature of apparel market in India. In women wear market, Ethnic wear contributed ~67% to the total market and is expected to be the fastest growing segment in Ethnic Apparel market. However, for men and kids, the contribution of western wear is significant.

Exhibit 2.10: Growth Projections of Total Apparel Market by Gender (Year in FY)



Source: Technopak Analysis

Apparel Market Segmentation

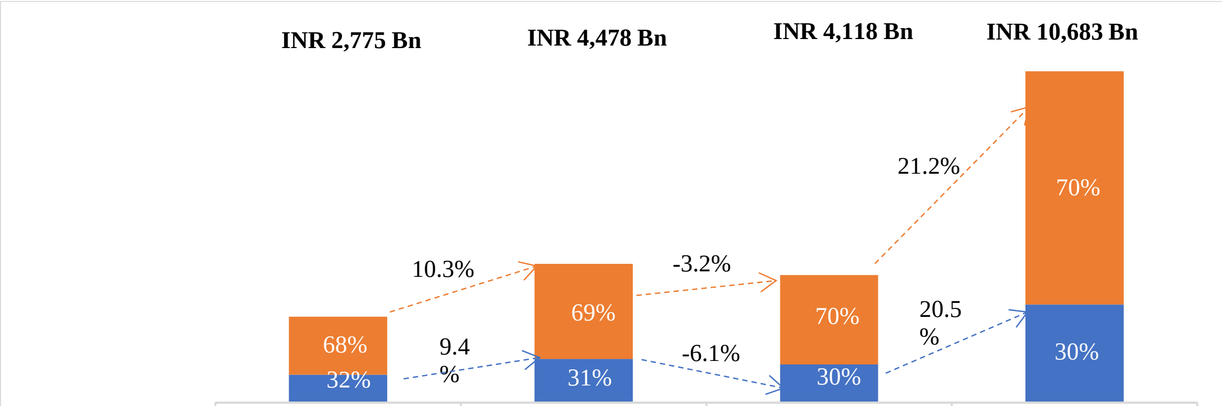
Ethnic and Western Wear Markets in India

Apparel market comprised of 30% Ethnic wear in FY 2022 and 70% Western wear at INR 1,235 Bn (US$ 15.4 Bn) in size and INR 2,883 Bn (US$ 36.0 Bn) respectively. This market is dominated by unorganized sector which was 74% of the Ethnic wear market and 62% for the Western wear market for FY 2022.

In men's segment, Ethnic wear accounted for 6% of the total menswear market of INR 1,702 Bn (~US$ 21.3 Bn) for FY 2022. The Men Ethnic wear market is expected to reach INR 265 Bn (US$ 3.3 Bn) in FY 2027, from the INR 108 Bn (US$ 1.4 Bn) in FY 2022, growing at a CAGR of 19.7%.

Western wear market accounted for close to 70% of the overall apparel market, with FY 2022 market size of INR 2,873 Bn (US$ 35.9 Bn). The organized sector forms 38% share of the western wear market, while unorganized sector was 62%. Western wear dominates the Men's wear market with a 94% share for FY 2022. It is expected to grow at a CAGR of 20.5% from FY 2022 to FY 2027, reaching INR 4,051 Bn (US$ 50.6 Bn) in FY 2027. Western wear market for women amounted to INR 505 Cr (US$ 6.3 Bn) for FY 2022 and is expected to grow at a CAGR of 22.2% to reach INR 1,377 Bn (US$ 17.2 Bn) for FY 2027.

Exhibit 2.11: Ethnic wear vs Western wear market in India (Year in FY)

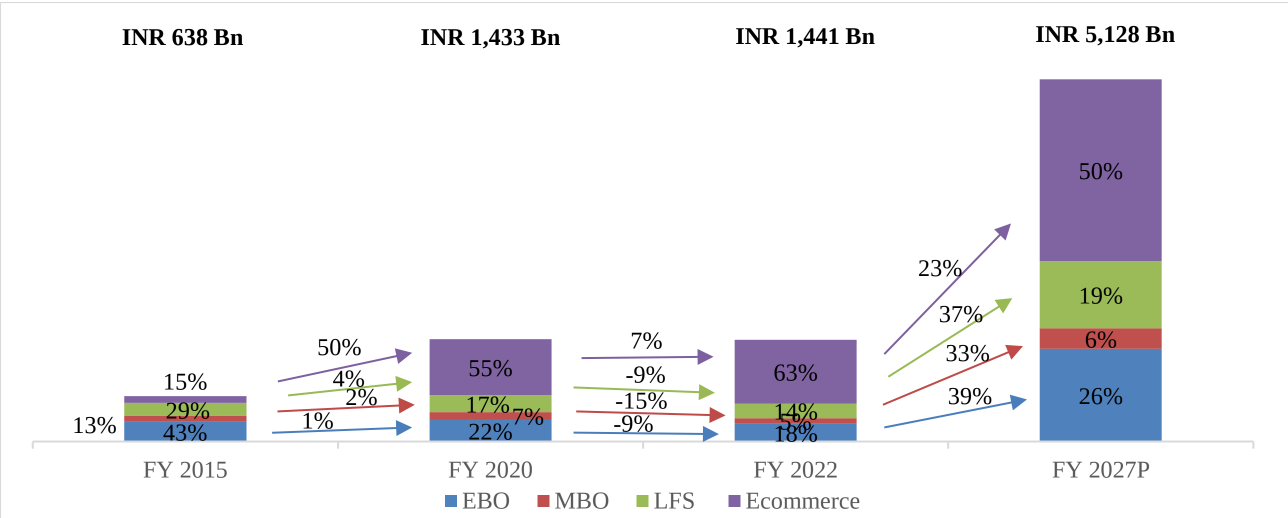


	FY 2015	FY 2020	FY 2022	FY 2027P
Western Wear	1,877	3,068	2,883	7,515
Ethnic Wear	898	1,410	1,234	3,167

Source: Technopak Analysis

Channel Wise Segmentation

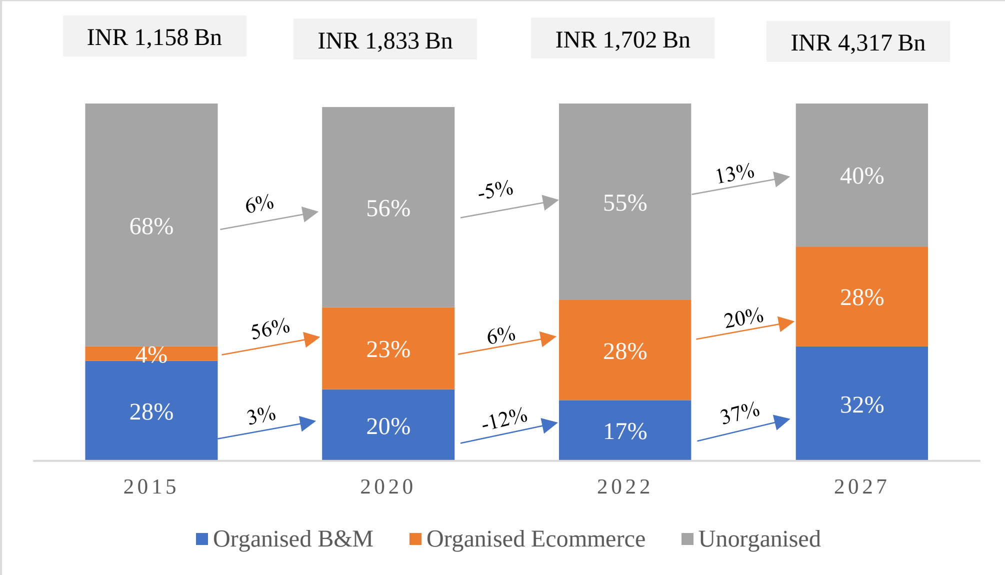
Exhibit 2.12: Organised Apparel Market Segmentation across Organised Retail Channels (in INR Bn) (Year in FY)



Source: Technopak Analysis

The share of sales from EBOs in total organised apparel retail is expected to increase from ~18% in FY 2022 to ~26% in FY 2027. The share from LFS is expected to increase from 14% to 19% during the same period. Online sales are expected to grow at a CAGR of 23% between FY 2022 and FY 2027. The brick and mortar formats are expected to grow at a CAGR in excess of 30%, with EBOs expected to be the fastest growing format at CAGR of 39%.

Exhibit 2.13: Channel wise – Segment wise Market size - Mens (in INR Bn.)- FY 2015, 2020, 2022, 2027P



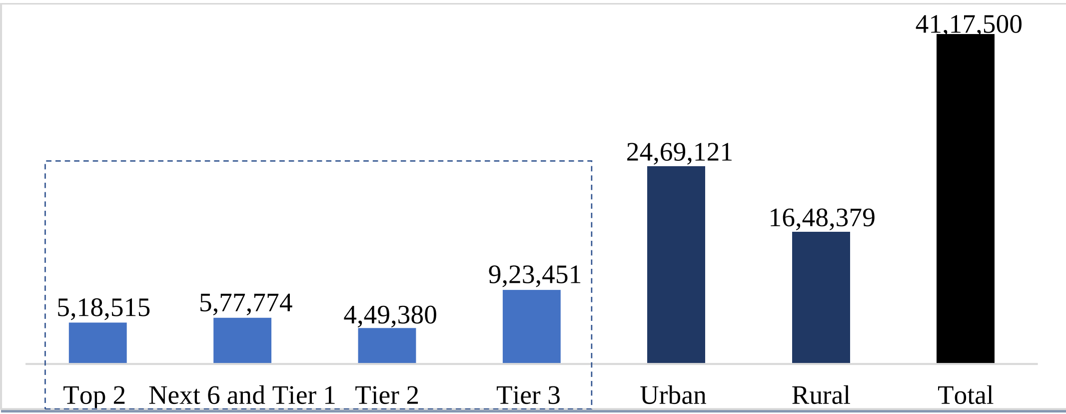
Source: Technopak Analysis

Organised market for men apparel is expected to increase to 60% by FY 2027.

Apparel Market Segmentation across City Types

The urban apparel market had a share of 60% of the total market compared with a share of 40% contributed by the rural India in FY 2022. Almost 20% of the urban apparel demand can be attributed to Delhi NCR and Mumbai making these cities the largest consumers of apparel in India. However, a distributive growth across the country is resulting in growth of demand from Tier 2 & 3 cities which together account for 57% of the urban demand.

Exhibit 2.14: Apparel Market Segmentation across City Types – FY 2022 (in INR Mn)



Source: Technopak Analysis

Top 2 cities: Delhi NCR and Greater Mumbai. Next 6 and Tier 1 Cities: Next 6 Cities: Bangalore, Kolkata including Howrah, Chennai, Hyderabad, Ahmedabad, and Pune. Tier 1 Cities: Cities with a population in the range of 1 to 5 million; Tier 2 Cities: Cities with a population in the range of 0.3 to 1 Million; Tier 3 Cities: Cities with a population less than 0.3 Million

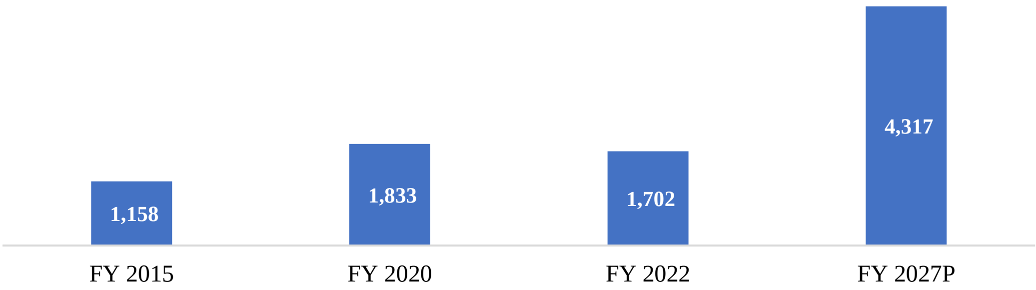
3. Overview of Men's Apparel Industry and Western Men's Category

3.1 Men's Apparel Market

The Indian men's apparel market was estimated at INR 1,702 Bn in FY 2022. The market has grown with a CAGR of 9.6% from FY 2015 to FY 2020 but with the restrictions imposed due to pandemic, the Indian men's apparel market witnessed a de-growth of 3.6% from FY 2020 to FY 2022. However, the market is expected to grow at a CAGR of 20.5% for the next five years to reach INR 4,317 Bn by FY 2027.

Exhibit 3.1: Men's Apparel Market (in INR Bn.)

	FY 2015-2020	FY 2020-2022	FY 2022-2027P
CAGR	9.6%	-3.6%	20.5%



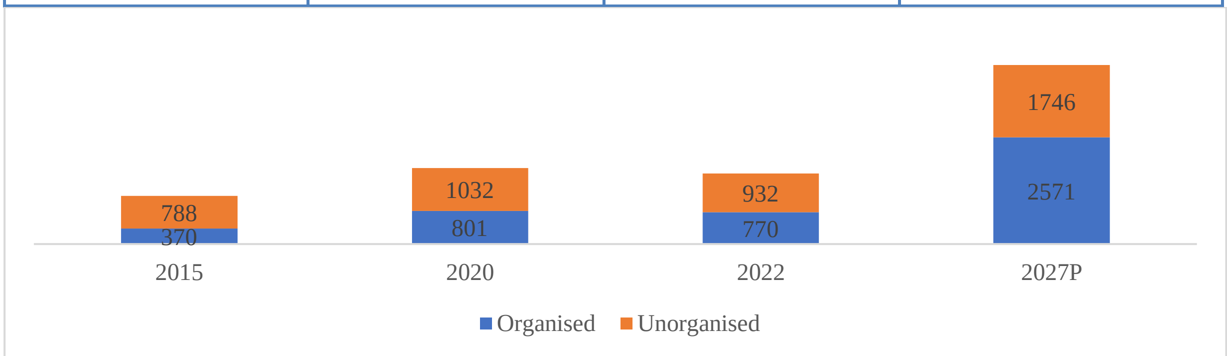
Sources: Technopak Analysis

Men's Apparel Market segmentation by Channel

Organised retail in Indian men's apparel market held a share of ~45% valued at INR 770 Bn for FY 2022.The contribution from organised retail to total men's apparel is expected to reach ~60% by FY 2027. Within organised, EBOs are expected to grow at a CAGR of ~39% from FY 2022 to FY 2027.

Exhibit 3.2: Men's Apparel Market segmentation by Organised & Unorganised Market (in INR Bn.)

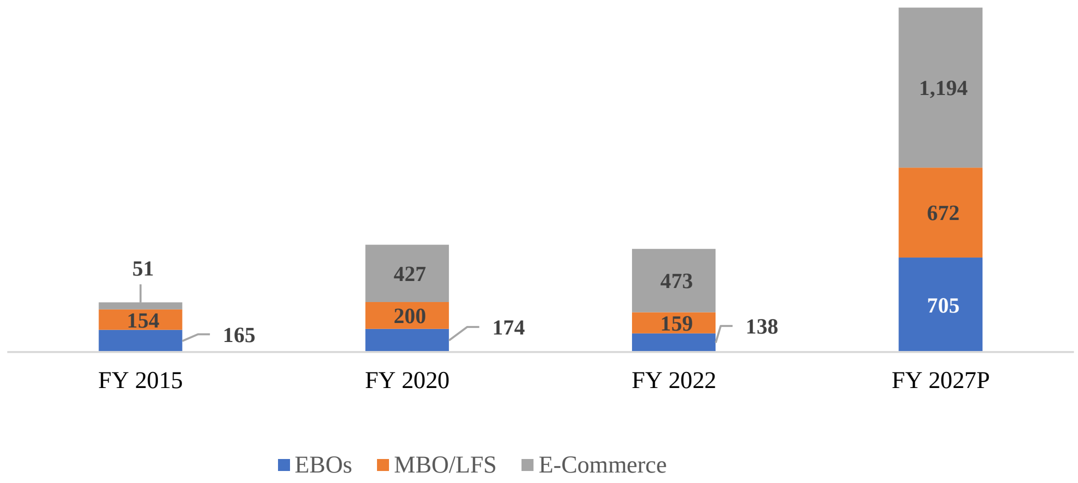
CAGR	**FY 2015-2020**	**FY 2020-2022**	**FY 2022-2027P**
Organised	16.7%	-2.0%	27.3%
Unorganised	5.5%	-5.0%	13.4%



Source: Technopak Analysis

Exhibit 3.3: Men's Apparel Organised Market by Channel (in INR Bn.)

CAGR	FY 2015-2020	FY 2020-2022	FY 2022-2027P
EBO	1.1%	-10.9%	38.6%
MBOs/LFS	5.4%	-10.8%	33.4%
E-Commerce	53.0%	5.2%	20.3%



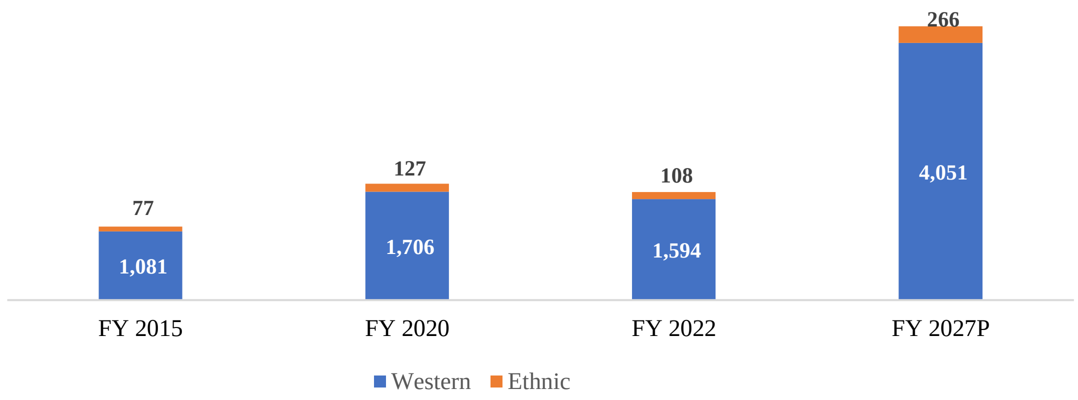
Sources: Technopak Analysis

Men's Apparel Market segmentation by Style

Men's western wear market contributes nearly 94% of the total Indian men's apparel market and rest ~6% of the market is contributed by Indian men's ethnic wear. The Indian men's western market was valued at INR 1,594 Bn in FY 2022. The market grew with a CAGR of 9.5% from FY 2015 to FY 2020. The market is expected to grow at a CAGR of 20.5% for the next five years to reach INR 4,051 Bn by FY 2027. The Indian men's ethnic wear market stood at INR 108 Bn in FY 2022. The market has grown with a CAGR of 10.6% from FY 2015 and FY 2020 and the same is expected to grow with a CAGR of 19.7% to reach INR 266 Bn by FY 2027.

Exhibit 3.4: Men's Apparel Market by Style (in INR Bn.)

CAGR	FY 2015-2020	FY 2020-2022	FY 2022-2027P
Western	9.6%	-3.3%	20.5%
Ethnic	10.5%	-7.8%	19.8%



Sources: Technopak Analysis

Indian Men's Western Wear Market

The Indian men's western market was valued at INR 1,594 Bn in FY 2022, and is expected to grow at a CAGR of 20.5% for the next five years to reach INR 4,051 Bn by FY 2027. Casual fashion focused product categories like T-shirts, Denim, Activewear are expected to grow at a CAGR of 20%+ highlighting the trend of casualisation in fashion leading to the growth of this market.

Exhibit 3.5: Men's Western Wear Market by Product (in INR Bn.)

Product Category	FY 2020	FY 2022	FY 2027P	CAGR FY 2022-2027P
Shirts	522	472	1,204	21%
Trousers	410	333	808	19%
Suits/Coats/safari suits	73	59	129	17%
Winterwear	123	102	221	17%
T-Shirts	124	146	416	23%
Denim	252	252	671	22%
Activewear	57	69	212	25%
Innerwear	127	145	349	19%
Others	18	16	41	21%

*Sources: Technopak Analysis. Note- **Shaded categories highlighted being top 3 in terms of CAGR**.*

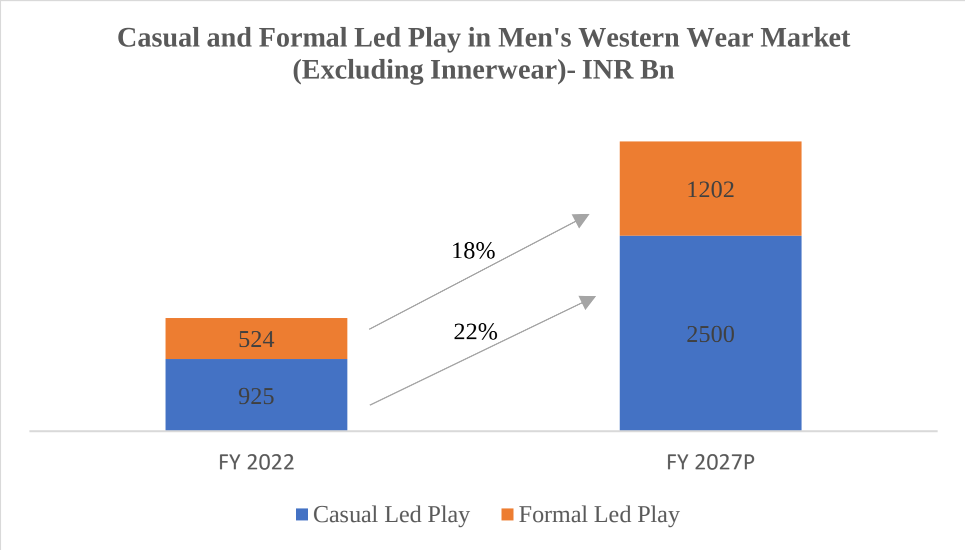
Casual fashion focused product categories like T-shirts, Denim, Activewear are expected to grow at a CAGR of 20%+ highlighting the trend of casualisation in fashion leading to the growth of this market.

The Men's Western Wear market can be further segmented into Casual Led Play and Formal Led Play.

Casual Led Play - Casual led play is defined by product offerings that comprises t-shirts, shirts that are designed for casual wear signified by trends, fabrics, silhouettes. It also includes denims, shorts, cargos etc. Many brands like Mufti, Levi's, Pepe Jeans, Tommy Hilfiger, Jack & Jones have emerged as men's casual wear focused brands, because they offer products that are primarily casual wear. This segment of the market was valued at INR 925 Bn for FY 2022 making it ~64% of the Total Men's Western wear market (excluding Innerwear). It is expected to grow at a CAGR of 22% and reach INR 2500 Bn by FY 2027 forming a 68% share of the defined market. Casual Led Play is expected to outpace the growth of the Formal Segment which is projected to grow at a CAGR of 18% in the same period.

Formal Led Play - Formal led play signifies product offerings of players that are skewed towards office wear shirts, trousers for formal occasions like office, and occasion wear. 10 to 20 years ago, men's fashion was predominantly formal wear, which evolved from ready-to stitch segment. Formal led play includes brands like, Raymond, Arrow, Zodiac, Louis Phillipe etc. This segment stood at 36% of the Men's Western wear market (excluding Innerwear).

Exhibit 3.6: Casual and Formal Led Play in Total Men's Western Wear Market (excluding Innerwear)- FY 2022 and FY 2027P



Source: Technopak Analysis.

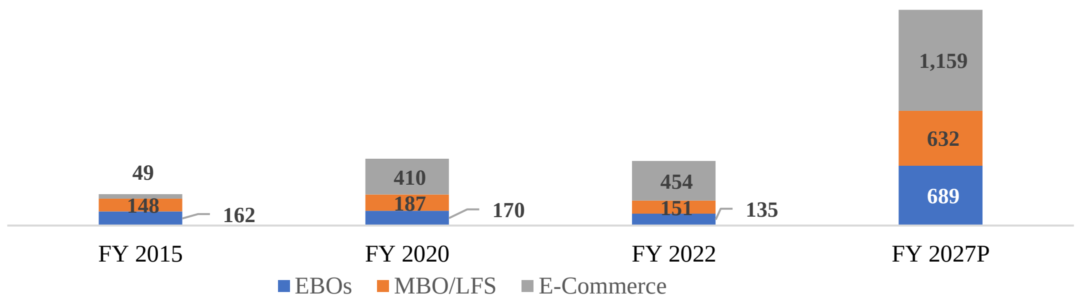
Channel wise share in Indian Men's Western Wear Market

Organised Men's Western wear market was valued at INR 741 Bn for FY 2022 (47% share) and is expected to reach INR 2480 Bn by FY 2027 (61% share). E-commerce market grew with a CAGR of ~53.0% between FY 2015 and FY 2020. However, post Covid both EBOs and MBOs/ LFS have built scale and are expected to outpace E-commerce's growth for the category between FY2022 and FY2025. In other words, all three channels (E-commerce, EBOs and MBOs) are expected to act as growth enablers both for the overall growth of the category and for the organized share in the Men's Western Wear category to grow in the next five years (FY 2022-FY2025).

Contribution by organised Brick and mortar retail in Men's western wear is expected to reach ~32% in FY 2027 from ~17% in FY 2022. Within this, the EBO channel is expected to show the highest growth CAGR of 38.5% from FY 2022 to FY 2027.

*Exhibit 3.7: Men's Western Wear Market by Channel- **Organised** (in INR Bn.)*

Channel	FY 2015-2020	FY 2020-2022	FY 2022-2027P
EBO	1.0%	-10.9%	38.5%
MBOs/LFS	4.8%	-10.1%	33.2%
E-Commerce	52.9%	5.2%	20.6%



Source: Technopak Analysis

Market Share of Key Men Western Wear Brands in Casual Led Play of Men's Western Wear Market- FY 2022

The Casual Led branded market for Men's Western Wear in Mid+ price segment was valued at INR 322 Bn for FY 2022. In this market, the top 3 brands selling one or more than one men's casual led western wear brand in the Mid-price+ segment are USPA, Levi's and Mufti.

Mufti is among the largest homegrown Men's Casual wear brands in India.

Exhibit 3.8: Share of Men's Casual Led Western Wear Players in the Mid Price+ Branded Market- FY 2022*

Brand wise share	Estimated Market share in Mid Price + Branded Men's Casual Led Western wear market*
Mufti	1.28%
Levi's	1.72%
Tommy Hilfiger	1.12%
Spykar	1.02%
Indian Terrain	1.04%
Killer	1.11%
Flying Machine	0.99%
USPA	3.81%

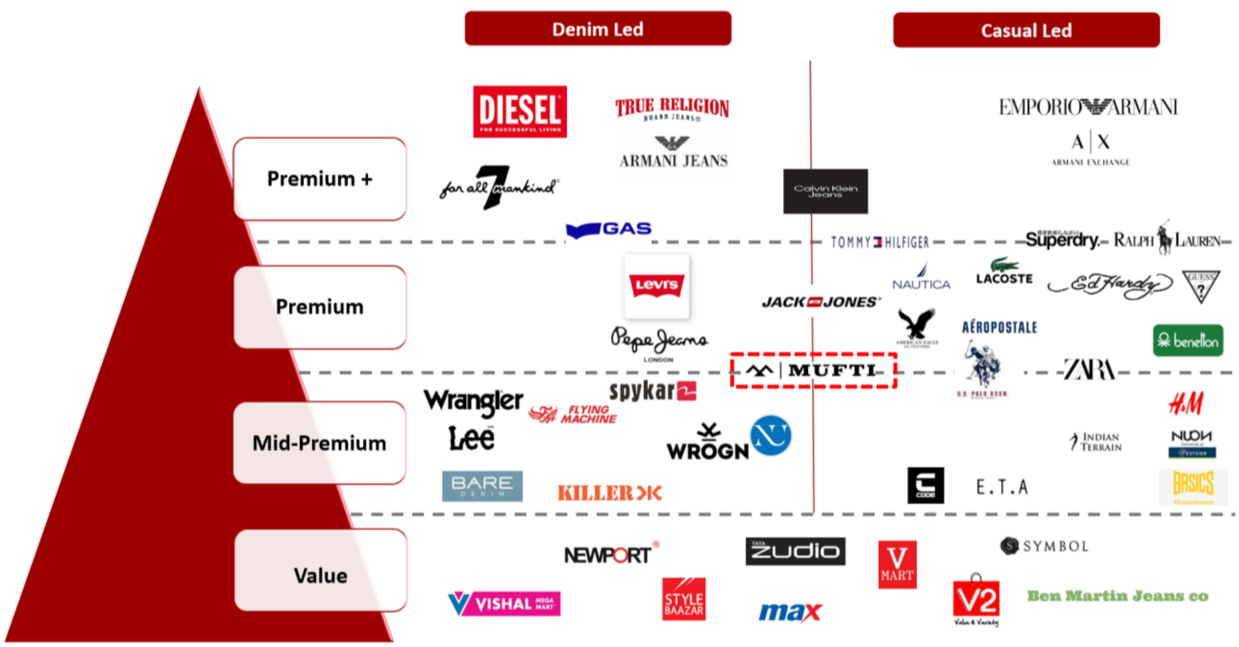
Sources: Technopak Analysis

Market size for branded Mid+ price segment of Causal Led Play in Men's Western Wear market (excluding Innerwear). (a) Casual Led Play includes Casual Shirts, T-shirts, Casual Pants/Trousers, Casual Coats, Casual Winterwear, Denim, Activewear and Others. Others includes scarfs, belts etc. (b) Price segment includes Mid+ price segment i.e Mid-Premium, Premium and Premium Plus. (c) Branded market size considered. (d) Market size of players taken for respective mentioned brands and men's wear revenue of each brand. Data for Jack & Jones NA.

4. Competitive Landscape of Men's Western Apparel

The Men's Western Wear Market in India can broadly be defined as the segment of the Apparel business that are positioned for Men and include shirts, denims, T-shirts, athleisure and trousers as part of the product offer.

Exhibit 4.1: Men's Western Wear Market – Price Segmentation and types of Key Players



Source: Technopak Analysis. Price ranges given are basis MRP.

Key Players in Men Western Wear Market

Exhibit 4.2 Key players in Men's Western Wear Market

Brands	Years of Inception	Operating Company	No. of Stores*	Cities Presence
Retail Led				
Mufti	1998	Credo Brands Marketing Ltd.	379	213
Levi's	1994	Levi's Strauss India Pvt. Ltd	357	170
Tommy Hilfiger	2004	Joint Venture (Arvind Fashions and PVH Corp)	98	40
Calvin Klein	2007	Joint Venture (Arvind Fashions and PVH Corp)	76	30
Indian Terrain	2000	Celebrity Fashion Ltd.	182	113
Killer	1989	Keval Kiran Clothing	382	257
Allen Solly	1993	Aditya Birla Fashion and Retail Ltd.	204	90
Pepe Jeans	1989	Pepe Jeans India Pvt. Limited	250	120
U.S Polo	2007	Arvind Fashions Ltd.	391	145
Large Format Store				
Westside	1998	Trent Ltd.	207	85
Lifestyle	1999	Landmark Group	94	60
Shoppers Stop	1991	K Raheja Group	83	38
Pantaloons	1997	Aditya Birla Fashion and Retail Ltd.	348	172
Value Focused Retailers				
V Mart	2003	V-Mart Retail Limited	429	235
Vishal Mega Mart	2001	Vishal Mega Mart Private Limited	390	220
V2 Retail	2001	V2 Retail Ltd	83	70
Online Focused Retailers				
Myntra	2007	Walmart India Pvt. Ltd.	NA	NA
Cliq	2016	Tata Digital Pvt. Ltd.	NA	NA
Ajio	2016	Reliance Retail Ventures Limited	NA	NA

*Source: Company Websites, Secondary Research. *Store counts for Allen Solly: Aug 2022, Pepe Jeans: March 2022, US Polo: September 2022.Mufti as on May'23. All other brands store count as on Feb 2023*

Product Categories- Men's Western Apparel

The acceptance of men's western and particularly casual wear as an apparel of choice for daily wear purposes has been a key growth driver for this category in the last decade. This is reflected in the rising share of casual wear in the overall men's wear sales. The organized players' ability to contemporize and make products with high quotient of functionality, comfort and affordable prices has led to the growth of the casual wear category.

T-Shirts, Casual Shirts and Denims are key categories that make up the Men's Casual Wear offering. Brands like Mufti, Levi's and Pepe are among those brands that offer the most balanced mix of products across all these three categories. Brands like Tommy Hilfiger, Calvin Klien, U.S Polo and Indian Terrain, however, have a product offering portfolio that is skewed towards T-Shirts and Casual Shirts. Such a product mix of various brands is an outcome of individual strategies of respective brands and their approach to the brand equity they propose to create among their target consumers.

Exhibit 4.3: Key Players Presence by Product Category

Format/ Brands	Gender Types	Western/Casual Wear						Winter Wear			
		Casual Shirts	T-Shirts	Jeans	Pants	Joggers	Shorts	Jackets	Sweatshirts	Sweaters	Blazers
Mufti	Men	47.5%	16.8 %	24.6 %	3.3%	0.3%	0.3%	3.1%	2.9%	0.6%	0.6%

Levi's	Men & Women	**25.0%**	**28.3%**	**27.0%**	**5.2%**	**0.0%**	**2.8%**	**2.9%**	**7.4%**	**1.5%**	**0.0%**
Tommy Hilfiger	Men, Women & Kids	**31.8%**	**32.8%**	**7.6%**	**0.4%**	**3.3%**	**2.5%**	**4.3%**	**7.5%**	**7.8%**	**1.9%**
Calvin Klein	Men & Women	**16.6%**	**36.7%**	**18.7%**	**1.6%**	**4.0%**	**2.9%**	**7.0%**	**7.2%**	**5.4%**	**0.0%**
Indian Terrain	Men & Boys	**14.3%**	**23.5%**	**8.2%**	**30.2%**	**1.0%**	**4.5%**	**5.7%**	**5.1%**	**6.0%**	**1.6%**
Allen Solly	Men, Women & Kids	**41.0%**	**19.3%**	**5.0%**	**15.6%**	**2.5%**	**3.6%**	**4.3%**	**4.0%**	**1.9%**	**2.7%**
Pepe Jeans	Men, Women & Kids	**23.3%**	**30.4%**	**25.4%**	**0.4%**	**1.2%**	**7.6%**	**5.4%**	**4.8%**	**1.5%**	**0.0%**
U.S Polo	Men, Women & Kids	**34.2%**	**38.4%**	**10.4%**	**5.9%**	**1.5%**	**0.9%**	**5.8%**	**0.0%**	**2.7%**	**0.2%**
Large Format Store											
Westside	Men, Women & Kids	**25.2%**	**20.7%**	**18.4%**	**7.9%**	**8.2%**	**7.7%**	**2.6%**	**6.0%**	**3.2%**	**0.1%**
Lifestyle	Men, Women & Kids	**10.5%**	**43.8%**	**4.6%**	**6.7%**	**7.2%**	**10.4%**	**4.2%**	**8.4%**	**4.3%**	**0.0%**
Shopper Stops	Men, Women & Kids	**21.6%**	**46.3%**	**7.5%**	**4.7%**	**2.8%**	**8.5%**	**1.5%**	**4.1%**	**1.6%**	**1.3%**
Value Focused Retailers											
V Mart	Men, Women & Kids	**23.5%**	**35.0%**	**11.7%**	**17.7%**	**0.1%**	**3.3%**	**2.9%**	**3.1%**	**0.0%**	**2.6%**
Vishal Mega Mart	Men, Women & Kids	**24.1%**	**41.9%**	**9.3%**	**11.1%**	**1.1%**	**8.4%**	**0.5%**	**3.4%**	**0.0%**	**0.2%**
V2 Retail	Men, Women & Kids	**0.1%**	**85.9%**	**2.8%**	**3.3%**	**0.2%**	**5.9%**	**0.9%**	**0.5%**	**0.4%**	**0.0%**
Online Focused Retailers											
Myntra	Men, Women & Kids	**16.6%**	**35.2%**	**10.3%**	**5.4%**	**4.9%**	**3.2%**	**8.9%**	**8.7%**	**6.0%**	**0.8%**
Ajio	Men, Women & Kids	**26.1%**	**31.5%**	**7.9%**	**11.2%**	**0.5%**	**4.9%**	**3.3%**	**6.1%**	**8.5%**	**0.0%**

Source: Company Websites and Technopak Analysis

Product Offerings across Player Groups

- Product offers by leading brands within sub-categories (shirts, t-shirts, jeans etc.) differ depending upon their respective business strategy focus.
- Across all sub-categories, focussing on Mid-premium and Premium segment, there are different categories of brands covering the landscape. Premium+ and Premium brands like Calvin Klein, Tommy Hilfiger are more focused into 3-4 sub product categories as compared to mid-premium and value offerings brands who have wider product ranges in other product categories.
- Value & online focussed retailers have wider presence across product categories along with value to premium pricing options.

Exhibit 4.4: Key Players – No. of SKUs & Price Range

Format/ Brands	Casual Shirts		T-Shirts		Jeans		Pants		Shorts	
	No. of SKUs	Price Range	No. of SKUs	Price Range	No. of SKUs	Price Range	No. of SKUs	Price Range	No. of SKUs	Price Range
Retail Led										
Mufti	652	1,799-3,299	231	1,199-2,299	338	3,199-4,499	46	2,999-4,099	4	2,199
Levi's	403	899-2,999	457	549-3,599	435	1,199-8,999	84	1,199-4,749	45	1,099-2,249
Tommy Hilfiger	376	1,749-4,799	388	799-4,599	90	2,499-7,999	5	2,999-3,999	30	1,499-3,299
Calvin Klein	104	2,499-6,499	230	1,499-4,999	117	4,199-14,999	10	2,999-6,999	18	1,499-4,199
Indian Terrain	219	999-2,799	360	399-2,294	125	1,199-3,499	463	1,099-3,499	69	699-2,099
Allen Solly	2,057	825-2,999	971	353-1,974	253	1,297-4,449	785	1,061-3,999	183	514-1,494
Pepe Jeans	414	829-3,299	541	499-2,299	452	1,439-7,999	8	1,399-2,099	135	749-3,299
U.S Polo	2,099	899-3,099	2,355	494-3,199	637	949-4,299	365	999-3,299	54	719-1,599
Large Format Store										
Westside	254	699-1,699	208	399-1,499	185	999-1,899	80	999-1,699	78	499-1,299
Lifestyle	199	399-1,999	832	199-2,299	87	1,149-2,299	127	679-2,299	198	299-1,499
Shopper Stops	362	389-2,999	775	209-1,499	126	599-4,899	79	749-2,999	142	299-1,499
Value Focused Retailers										
V Mart	1,653	299-1,299	2,468	153-900	825	370-1,699	1246	1,299-1,499	235	199-850

Vishal Mega Mart	633	199-999	1,104	99-449	246	299-1,299	292	249-399	220	119-401
V2 Retail	2	600	2,565	100-800	85	600-1,600	100	500-1,500	175	100-300
Online Focused Retailers										
Myntra	3,204	1,299-2,199	6,790	179-2998	1,981	449-2,499	1,038	524-2,499	615	419-3,198
Ajio	727	270-1,699	876	120-999	220	450-1,999	311	390-1,899	135	120-899

Format/Brands	Jackets		Sweatshirts		Sweaters		Blazers		Joggers	
	No. of SKUs	Price Range	No. of SKUs	Price Range	No. of SKUs	Price Range	No. of SKUs	Price Range	No. of SKUs	Price Range
Retail Led										
Mufti	43	3,999-6,499	40	2,999-3,499	8	2,899	8	7,499	4	2,899-2,999
Levi's	47	2,349-8,449	119	999-4,799	24	1,499-2,499	-	-	-	-
Tommy Hilfiger	51	5,399-13,999	89	2,999-9,999	92	2,399-7,999	23	4,999-14,999	39	2,499-4,899
Calvin Klein	44	5,999-24,999	45	3,499-8,499	34	4,899-14,999	-	-	25	2,099-6,399
Indian Terrain	87	1,799-7,699	78	959-2,719	92	3,739	25	3,999-7,199	15	999-1,499
Allen Solly	216	1,077-3,919	199	734-2,499	93	979-2,299	137	3,114-8,009	128	881-2,499
Pepe Jeans	96	1,849-3,999	86	999-1,749	26	1,099-,749	-	-	22	1,099-3,499
U.S Polo	355	1,749-8,999	-	-	163	1,199-3,499	13	2,999-9,999	95	899-2,999
Large Format Store										
Westside	26	499-1,299	60	699-1,699	32	999-1.499	1	3,499	83	699-1,499
Lifestyle	79	799-3,499	160	399-1,899	81	649-1,899	-	-	136	499-1,699
Shopper Stops	25	999-2,499	69	539-1,249	27	849-1,249	21	1,999-5,999	47	449-1,999
Value Focused Retailers										
V Mart	206	464-2,400	221	330-1,300	-	-	185	1,124-2,999	6	699-750
Vishal Mega Mart	13	599-1,199	90	149-599	-	-	6	1,299-1,599	28	299-799
V2 Retail	27	500-2,500	15	350-700	11	300-700	-	-	7	500-600
Online Focused Retailers										
Myntra	1,713	399-3,599	1,682	359-1,999	1,164	349-1,499	154	2,499-3,899	945	509-4,698
Ajio	92	384-1,920	169	360-1,299	237	300-760	-	-	14	629-1,499

Source: Brand Website, Technopak Analysis. Note- Different sizes of same style not included in SKU count. SKU count for MBO, LFS, Value Retailers is total of Private Labels only.

5. Key Success Factors and Trends Enabling the Growth of Organized Men Western Wear Industry

5.1 Consumer Demographics

India has one of the youngest populations globally compared to other leading economies. With a growing young population, India as a developing nation is a faster growing market than the developed nations such as USA, UK, and Canada in terms of retail consumption related trends. The youth of the country and their increasing interests in entertainment and lifestyle activities is a major driver in the growth of discretionary spending and has had a significantly positive implication on many merchandise consumption categories, especially western wear. Influence of international fashion through social media such as Instagram, Tumblr, Pinterest, and Facebook platforms has fuelled the growth of the western wear market, as this form of media is most used by young fashion-conscious individuals, combining this with the possibility of buying from anywhere, at any time and from multiple devices has been one of the key reasons for the growth of organized men's western wear in the last decade in India.

5.2 Casualization of fashion in Men's Wear

India's predisposition towards casual wear has grown exponentially over the last few years. An important aspect accelerating the rise of casualisation of Men's wear is the concept of Friday Dressing (Casual Fridays) in the corporate world. Categories such as denim, activewear, casual shirts, athleisure, and loungewear are growing at a CAGR greater than 20%.

The increased urbanisation, social media connectivity, growth and influence of mobile internet and increased buying propensity amongst consumers have also helped advance the casual wear market. Also, for time pressed consumers today, casual western wear is easy to maintain and wear, and thus becomes a more preferred lifestyle choice.

Exhibit 5.1: Men's Western Wear Market by Product (in INR Bn.)

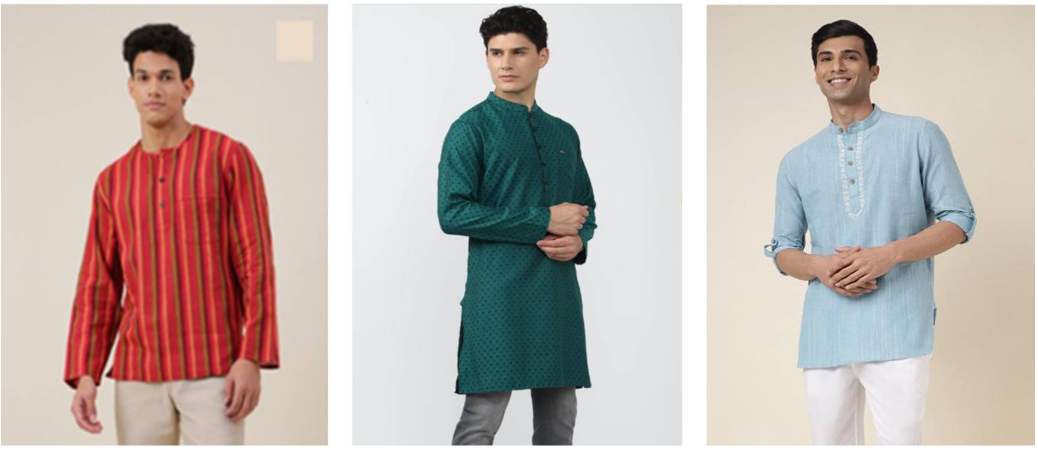
Product Category	FY 2020	FY 2022	FY 2027P	CAGR FY 2022-2027
Shirts	522	472	1,204	21%
Trousers	410	333	808	19%
Suits/Coats/safari suits	73	59	129	17%
Winterwear	123	102	221	17%
T-Shirts	124	146	416	23%
Denim	252	252	671	22%
Activewear	57	69	212	25%
Innerwear	127	145	349	19%
Others	18	16	41	21%

Sources: Technopak Analysis

5.3 Growth of Fusion Wear

Fusion wear implies an amalgamated apparel or any other lifestyle product that imbibes sensibilities of both International and Indian wear design sensibilities. In country like India there is not much of a gap between Western & Indian clothing in Men's segment. Shirts and trousers are as Indian as they are Western. In current market, fusion wear can be Indo western blend that gave rise to outfits like Jodhpuri suits, the Bandhgala kurta, waistcoat style jackets, the sherwani, the achkan jacket etc. It can also be use of traditional prints on modern outfits or changing silhouettes to make the traditional outfits more contemporary and western.

Exhibit 5.2: Men's Fusion Wear

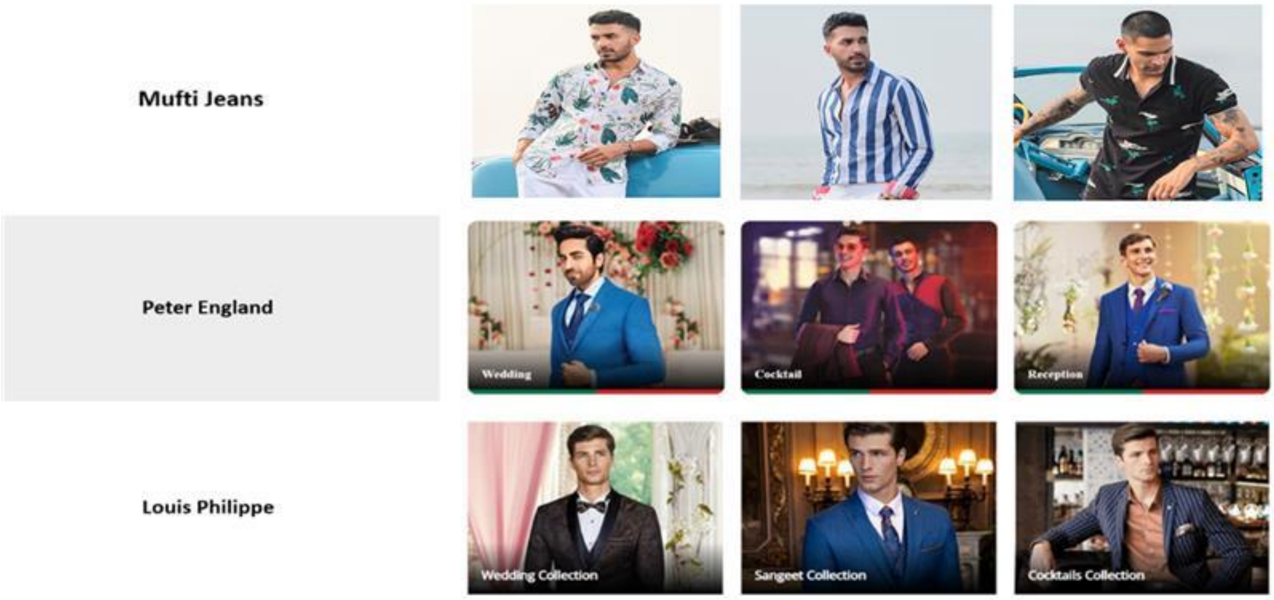


Source: Secondary Research

5.4 Transition from Need based to Lifestyle Based purchase

The definition of clothing has changed a lot over the years. In the modern world, clothing is linked with our image rather than just being a necessity. The apparel market is seeing a change from need-based purchase to more of lifestyle-based purchase. Consumers today with more disposable income in their hands, are more aware of growing trends, latest fashion etc. They are conscious about their image and want to dress according to the occasion. This has resulted into creation of more occasion specific categories like Daily Casuals, Gym wear, Party Wear, Lounge Wear, Beach Wear, Travel Wear apart from the traditional Wedding & Festival Wear. Industry players like Mufti, Peter England, Louis Philip have expanded their product lines to retain their customers from going to other brands for their occasion specific needs.

Exhibit 5.3: Occasion Wear of various Men Western Wear Brands



Source: Secondary Research

5.5 Multi-channel Retail Outreach

Multi-channel retail includes various options of route to market to reach the consumer. It involves using different channels like B&M stores (EBOs, MBOs, LFSs), as well as online channels like website and marketplaces. The customer can search for products on one channel and make the purchase from any other channel as per their preference. One of the key advantages of this strategy is that it enables brands to capture all types of footfall across different retail environments, which can lead to increased exposure and growth opportunities. Therefore, brands like Mufti, Levi's etc. have put a lot of focus on growing their Multi-channel mix in their route to market approach.

Exhibit 5.4: Multi-channel Retail Outreach by Category Leaders in Men's Western Wear

Brands	EBOs	LFS & MBOs	Online
Mufti	✓✓✓	✓✓	✓
Benetton	✓✓	✓✓	✓
Levi Strauss & Co.	✓✓	✓✓	✓✓
Tommy Hilfiger	✓✓✓	✓✓	✓✓
Calvin Klien	✓✓✓	✓✓	✓✓
Spykar	✓✓✓	✓✓	✓
Wrogn	✓✓	✓	✓✓✓
Indian Terrain	✓✓	✓✓	✓✓
Killer	✓✓	✓✓	✓✓
Flying Machine	✓✓	✓✓	✓✓
Jack & Jones	✓✓✓	✓✓	✓

Source: Secondary research, Technopak Analysis Ticks ("✓") represents approximate share of different channels in total sales ✓:- Share of Upto 15-20%, ✓✓: - Share of 20-50%, ✓✓✓:- Share of 50%+

5.6 Focus on Tier 2 & Tier 3 cities

Male consumers are adapting to the changing fashion business, not just in India's major cities but also in the interiors. With the proliferation of social media, customers have become more informed about making smart shopping decisions. Regional influencers from tier 2 and 3 cities create content that is an extension of their unique and region-specific style, gaining a larger following and transforming the consumption pattern of western wear industry.

Numerous fashion merchants and e-commerce platforms increasingly prioritise Tier 2 and Tier 3 locations as strategic business opportunities. Brands are now expanding footprints beyond the Top 8 and Tier 1 cities. Majority share of stores of brands like Mufti, Spykar, Wrogn, Killer, Indian Terrain etc are in Tier 2 and 3 cities.

Exhibit 5.5: Tier-wise store split

City Tiers	Mufti	Jack & Jones	Levi's	Spykar	Wrogn	Indian Terrain	Killer
Top 2	12%	18%	19%	10%	5%	8%	5%
Next 6	12%	18%	17%	11%	21%	17%	3%
Tier 1	17%	20%	14%	24%	8%	18%	15%
Tier 2	33%	32%	37%	34%	46%	35%	32%
Tier 3	26%	11%	13%	20%	20%	21%	45%
Total Stores	**379**	**161**	**357**	**240**	**58**	**182**	**382**

Source: Mufti count as of May'23. Other players - Website store locator store count as of February 2023
Top 2 Cities: Delhi NCR & Greater Mumbai; Next 6 Cities: Bangalore, Kolkata including Howrah, Chennai, Hyderabad, Ahmedabad, and Pune. Tier 1 Cities: Cities with a population in the range of 1 to 5 million; Tier 2 Cities: Cities with a population in the range of 0.3 to 1 Million; Tier 3 Cities: Cities with a population less than 0.3 Million

5.6 Digital enablement

Digital enablement is the approach of implementing technologies across the value chain involving supply chain, procurement, route to market, customer relationship management etc. that improve production and operational efficiency to ultimately provide better customer experiences. Digital adoption in men's western wear industry has been rapid more so during and post COVID transition because of cost and business factors. This transition is demonstrated through the rising share of E-commerce in the total sales for the organised Men Western wear industry. Prior to the pandemic, the industry's share of E-commerce in its total business stood at ~4.5%, it grew to 24% during the pandemic (FY 2020) and increased to 28% post COVID i.e for FY 2022.

For leading brands, owning a website provides a unique opportunity to curate their offerings and tailor their appeal to their desired audience, which would be constrained in generic e-commerce marketplaces. In the post-COVID era, the benefits of having an e-commerce website have become even more apparent, as it can serve multiple purposes such as boosting brand visibility, fostering online communities, facilitating promotional sales and offers, and occasionally, clearing out excess inventory for various brands. Therefore, the focus on the growth of E-commerce sales increased significantly for many leading brands because they view own brand website as sales platform that capitalizes on their brand equity.

Exhibit 5.6: Share of E-commerce in Total Men Western Wear Segment

	Pre COVID (FY 2020)	Post COVID (FY 2022)
Share of Ecommerce in Total Sales of Men Western wear	~24%	~29%

Source: Technopak Analysis

6. Operational Benchmarking

Growth of EBOs

Exhibit 6.1: Historical Rollout of EBOs

Brands	2021	2023*	CAGR (2021-2023)
Mufti	306	379	11%
Benetton	350	400	7%
Levi Strauss & Co.	323	357	5%
Spykar	210	240	7%
Wrogn	38	58	24%
Indian Terrain	157	182	8%
Killer	-	382	NA
Jack & Jones	124	161	14%

Source: Secondary research, Technopak Analysis
**Store counts for 2023 from store locator as of Feb'23, for Benetton it is as of Nov 2022, and for Mufti as of May'23*

Region & Tier wise split of EBOs of Key Players

Mid-Premium players like Mufti, Killer, Wrong, Indian Terrain, Spykar have a Tier 2 and 3 focused presence, with further expansion plans in these cities. Mufti, however, has also ensured its presence across city types with 24% stores in Top 8 cities, 17% in Tier 1 and 59% in Tier 2 and beyond. Premium players like Levi's, Jack & Jones have around 36% of their stores in Top 8 cities. They also have significant proportion of stores in Tier 2 and 3 cities.

Exhibit 6.2: Tier-wise store split

City Tiers	Mufti	Jack & Jones	Levi's	Spykar	Wrogn	Indian Terrain	Killer
Top 2	12%	18%	19%	10%	5%	8%	5%
Next 6	12%	18%	17%	11%	21%	17%	3%
Tier 1	17%	20%	14%	24%	8%	18%	15%
Tier 2	33%	32%	37%	34%	46%	35%	32%
Tier 3	26%	11%	13%	20%	20%	21%	45%
Total Stores	**379**	**161**	**357**	**240**	**58**	**182**	**382**

Source: Mufti count as of May'23. Other players - Website store locator store count as of February 2023
Top 2 Cities: Delhi NCR & Greater Mumbai; Next 6 Cities: Bangalore, Kolkata including Howrah, Chennai, Hyderabad, Ahmedabad, and Pune. Tier 1 Cities: Cities with a population in the range of 1 to 5 million; Tier 2 Cities: Cities with a population in the range of 0.3 to 1 Million; Tier 3 Cities: Cities with a population less than 0.3 Million

Exhibit 6.3: Region wise store count

Tier	Mufti	Jack & Jones	Levi's	Spykar	Wrogn	Indian Terrain	Killer
North	28%	35%	34%	35%	10%	15%	19%
South	16%	20%	29%	11%	59%	52%	6%
East	18%	9%	14%	19%	12%	13%	53%
West	27%	30%	20%	38%	17%	18%	17%
Central	11%	6%	3%	8%	2%	2%	4%
Total	**379**	**161**	**357**	**240**	**58**	**182**	**382**

Source: Mufti count as of May'23. Other players - Website store locator store count as of February 2023
North- Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Delhi, Uttar Pradesh, Uttarakhand. South- Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Telangana. East- Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Bihar, Jharkhand, Orissa, Sikkim, West Bengal. West- Goa, Maharashtra, Gujarat, Rajasthan, Central- Madhya Pradesh, Chhattisgarh.
Note- For this report, Rajasthan is considered in West region in order to tally with internal classifications of Mufti.

Brands have a preference in terms of their store distribution PAN India. Some brands such as Killer jeans have a strong retail footprint in the East region with 53% of their stores being in the region, while Indian Terrain and Wrong target the South region aggressively having 52% and 59% of their stores in the south region respectively. Mufti has majority stores in North India (28%) followed by West (27%) and East (18%).

Channel Wise Segmentation

Brands are focussing on all the channels of retail i.e., EBOs, LFS and MBOs and Online medium. Most brands have an equitable presence across formats with higher focus on EBOs and Online.

Exhibit 6.4: Brand Presence across formats

Brands	EBOs	LFS & MBOs	Online
Mufti	✓✓✓	✓✓	✓
Benetton	✓✓	✓✓	✓
Levi Strauss & Co.	✓✓	✓✓	✓✓
Tommy Hilfiger	✓✓✓	✓✓	✓✓
Calvin Klien	✓✓✓	✓✓	✓✓
Spykar	✓✓✓	✓✓	✓
Wrogn	✓✓	✓	✓✓✓
Indian Terrain	✓✓	✓✓	✓✓
Killer	✓✓	✓✓	✓✓
Flying Machine	✓✓	✓✓	✓✓
Jack & Jones	✓✓✓	✓✓	✓

Source: Secondary research, Technopak Analysis Ticks ("✓") represents approximate share of different channels in total sales
✓:- Share of Upto 15-20%, ✓✓: - Share of 20-50%, ✓✓✓:- Share of 50%+

7. Financial Benchmarking

Revenue from Operations

Exhibit 7.1: Revenue from Operations (INR Millions)

Company	FY 2021	FY 2022	FY 2023	CAGR FY 2021-23
Credo Brands Marketing Ltd.	2,448.26	3,411.72	4,981.82	42.65%
Benetton India	2,943.61	5,860.83	NA	NA
Levi Strauss & Co.	6,713.00	11,465.00	NA	NA

PVH Arvind Fashion	4,718.37	6,605.78	NA	NA
Spykar Lifestyles	2,204.27	3,894.39	NA	NA
Universal Sportsbiz	2,325.34	3,362.73	NA	NA
Indian Terrain	2,131.70	3,363.00	5,008.00	53.27%
Kewal Kiran Clothing	3,027.30	6,076.10	7,794.50	60.46%
Arvind Youth Brands	2,728.99	4,235.28	NA	NA
Arvind Lifestyle Brands	8,770.60	14,086.70	NA	NA
Go Fashions	2,506.69	4,013.13	6,652.80	62.91%
Arvind Fashions Ltd.	22,011.80	30,560.40	44,210.80	41.72%
ABFRL	52,489.20	81,362.20	1,24,179.00	53.81%

Source: Technopak Analysis, Annual Reports
Revenue from operations is the total revenue generated by the Company from its operations.
NA- not available
Note: Benetton India and Spykar Lifestyles use Indian GAAP for preparation of their financial statements.
Levi Strauss, PVH Arvind Fashion, Universal Sportsbiz, Indian Terrain, Kewal Kiran Clothing, Arvind Youth Brands, Arvind Lifestyle Brands, Credo Brands Marketing Ltd., Go fashions, Arvind Fashions ltd. And ABFRL use INDAS for preparation of their financial statements.

Gross Profit

Exhibit 7.2: Gross Profit (INR Millions) and Gross Profit margin (%)

Company	FY 2021		FY 2022		FY 2023	
Credo Brands Marketing Ltd.	1,197.87	48.93%	1,941.05	56.89%	2,862.42	57.46%
Benetton India	438.09	14.88%	2,445.54	41.73%	NA	NA
Levi Strauss & Co.	2,606.00	38.82%	5,412.00	47.20%	NA	NA
PVH Arvind Fashion	2,131.55	45.18%	3,316.58	50.21%	NA	NA
Spykar Lifestyles	847.92	38.47%	1,450.67	37.25%	NA	NA
Universal Sportsbiz	704.84	30.31%	1,125.71	33.48%	NA	NA
Indian Terrain	741.00	34.76%	1,254.30	37.30%	1,938.70	38.71%
Kewal Kiran Clothing	1,440.21	47.57%	3,196.34	52.61%	4,071.80	52.24%
Arvind Youth Brands	982.85	36.02%	1,784.67	42.14%	NA	NA
Arvind Lifestyle Brands	2,960.70	33.76%	5,941.10	42.18%	NA	NA
Go Fashions	1,585.08	63.23%	2,658.26	66.24%	4,437.71	66.70%
Arvind Fashions Ltd.	9,141.80	41.53%	13,462.30	44.05%	21,293.90	48.16%
ABFRL	26,859.60	51.17%	44,160.50	54.28%	68,659.20	55.29%

Source: Technopak Analysis, Annual Reports
*Gross Profit is Revenue from operation-cost of goods sold; Gross Profit margin (%) = Gross Profit/ Revenue from Operations*100*
NA- not available,
Note: Benetton India and Spykar Lifestyles use Indian GAAP for preparation of their financial statements.
Levi Strauss, PVH Arvind Fashion, Universal Sportsbiz, Indian Terrain, Kewal Kiran Clothing, Arvind Youth Brands, Arvind Lifestyle Brands, Credo Brands Marketing Ltd., Go fashions, Arvind Fashions ltd. And ABFRL use INDAS for preparation of their financial statements.

EBITDA Margin

EBITDA Margin is largely used to compare the profitability of the companies against competitors. It is also used to standardize the business performance against the industry averages. Credo Brands Marketing Ltd. registered highest EBITDA Margin of 32.89% in FY 2023 among the players available, followed by Go Fashions at 31.91% for the same time period.

Exhibit 7.3: EBITDA (INR Millions) and EBITDA margin (%)

Company	FY 2021		FY 2022		FY 2023	
Credo Brands Marketing Ltd.	484.82	19.80%	950.97	27.87%	1,638.50	32.89%
Benetton India	-1,671.97	-56.80%	-161.85	-2.76%	NA	NA

Levi Strauss & Co.	-323.00	-4.81%	682.00	5.95%	NA	NA
PVH Arvind Fashion	195.99	4.15%	925.76	14.01%	NA	NA
Spykar Lifestyles	42.71	1.94%	351.49	9.03%	NA	NA
Universal Sportsbiz	-441.18	-18.97%	-194.71	-5.79%	NA	NA
Indian Terrain	-186.50	-8.75%	268.40	7.98%	555.80	11.10%
Kewal Kiran Clothing	190.44	6.29%	998.52	16.43%	1,517.50	19.47%
Arvind Youth Brands	-122.41	-4.49%	484.52	11.44%	NA	NA
Arvind Lifestyle Brands	615.60	7.02%	176.90	1.26%	NA	NA
Go Fashions	463.49	18.49%	1,190.15	29.66%	2,122.86	31.91%
Arvind Fashions Ltd.	382.10	1.74%	1,801.60	5.90%	4,526.40	10.24%
ABFRL	5,544.10	10.56%	11,022.60	13.55%	15,004.20	12.08%

Source: Technopak Analysis, Annual Reports
*EBITDA = Profit before tax + Depreciation & Amortisation + Finance Cost - Other Income; EBITDA margin (%) = EBITDA/ Revenue from Operations*100*
NA- not available,
Note: Benetton India and Spykar Lifestyles use Indian GAAP for preparation of their financial statements.
Levi Strauss, PVH Arvind Fashion, Universal Sportsbiz, Indian Terrain, Kewal Kiran Clothing, Arvind Youth Brands, Arvind Lifestyle Brands, Credo Brands Marketing Ltd., Go fashions, Arvind Fashions ltd. And ABFRL use INDAS for preparation of their financial statements.

PAT margin

The profit after tax and PAT margins are used to assess if a company's business is profitable after meeting the operating and overhead costs. Credo Brands Marketing Ltd., Kewal Kiran Clothing and Go fashions were the top companies to register a PAT margin of 15.56%, 15.27% and 12.45% respectively for FY 2023.

Exhibit 7.4: PAT (INR Millions) and PAT margin (%)

Company	FY 2021		FY 2022		FY 2023	
Credo Brands Marketing Ltd.	34.41	1.41%	357.40	10.48%	775.14	15.56%
Benetton India	-1,944.17	-66.05%	-495.40	-8.45%	NA	NA
Levi Strauss & Co.	355.00	5.29%	501.00	4.37%	NA	NA
PVH Arvind Fashion	-324.22	-6.87%	614.97	9.31%	NA	NA
Spykar Lifestyles	-178.35	-8.09%	198.62	5.10%	NA	NA
Universal Sportsbiz	-774.62	-33.31%	-336.30	-10.00%	NA	NA
Indian Terrain	-307.50	-14.43%	-22.00	-0.65%	70.90	1.42%
Kewal Kiran Clothing	198.02	6.54%	816.28	13.43%	1,190.30	15.27%
Arvind Youth Brands	-439.23	-16.10%	104.52	2.47%	NA	NA
Arvind Lifestyle Brands	-1,777.80	-20.27%	-1,539.80	-10.93%	NA	NA
Go Fashions	-35.39	-1.41%	356.01	8.87%	827.98	12.45%
Arvind Fashions Ltd.	-4,481.20	-20.36%	-1,040.80	-3.41%	879.20	1.99%
ABFRL	-7,360.00	-14.02%	-1,183.60	-1.45%	-594.70	-0.48%

Source: Technopak Analysis, Annual Reports
*PAT (Profit after Taxes) = PBT – Tax; PAT margin (%) = PAT/ Revenue from Operations*100*
NA- not available,
Note: Benetton India and Spykar Lifestyles use Indian GAAP for preparation of their financial statements.
Levi Strauss, PVH Arvind Fashion, Universal Sportsbiz, Indian Terrain, Kewal Kiran Clothing, Arvind Youth Brands, Arvind Lifestyle Brands, Credo Brands Marketing Ltd., Go fashions, Arvind Fashions ltd. And ABFRL use INDAS for preparation of their financial statements.

Return on Equity

Return on equity is a function of profit after tax and shareholder's equity. A sustainable business and increasing ROE over time can indicate a good value generation ability for the shareholders.

Exhibit 7.5: Return on Equity

Company	FY 2021	FY 2022	FY 2023
Credo Brands Marketing Ltd.	1.81%	16.70%	29.98%

Benetton India	-165.76%	-58.07%	NA
Levi Strauss & Co.	17.72%	24.30%	NA
PVH Arvind Fashion	-20.64%	36.26%	NA
Spykar Lifestyles	-28.45%	31.18%	NA
Universal Sportsbiz	-61.89%	-28.70%	NA
Indian Terrain	-14.83%	-1.11%	3.47%
Kewal Kiran Clothing	4.51%	17.92%	23.22%
Arvind Youth Brands	91.21%	-27.60%	NA
Arvind Lifestyle Brands	-41.38%	-33.50%	NA
Go Fashions	-1.24%	9.87%	20.61%
Arvind Fashions Ltd.	-70.09%	-14.44%	10.44%
ABFRL	-39.11%	-4.33%	-1.98%

Source: Technopak Analysis, Annual Reports
ROE = PAT/ Average Shareholder's Equity ((opening equity +closing equity/2)
NA- not available
Note: Benetton India and Spykar Lifestyles use Indian GAAP for preparation of their financial statements.
Levi Strauss, PVH Arvind Fashion, Universal Sportsbiz, Indian Terrain, Kewal Kiran Clothing, Arvind Youth Brands, Arvind Lifestyle Brands, Credo Brands Marketing Ltd., Go fashions, Arvind Fashions ltd. And ABFRL use INDAS for preparation of their financial statements.

Return on Capital Employed

ROCE (Return on Capital Employed) indicated the company's efficiency by measuring the profitability of the business after factoring in the capital used by the company to generate profits. ROCE is a good indicator of the company's performance over long periods. Irrespective of onset of COVID-19, the industry maintained its ROCE levels in FY 2021 and FY 2022. Credo Brands Marketing Ltd. had a double-digit ROCE of 17.31% for FY 2022 and 28.16% in FY 2023.

Exhibit 7.6: Return on Capital Employed

Company	FY 2021	FY 2022	FY 2023
Credo Brands Marketing Ltd.	5.86%	17.31%	28.16%
Benetton India	-53.10%	-16.99%	NA
Levi Strauss & Co.	9.14%	32.83%	NA
PVH Arvind Fashion	-0.52%	23.28%	NA
Spykar Lifestyles	2.37%	16.87%	NA
Universal Sportsbiz	-19.84%	-9.81%	NA
Indian Terrain	-9.40%	3.58%	10.35%
Kewal Kiran Clothing	5.80%	21.13%	27.84%
Arvind Youth Brands	148.09%	-168.63%	NA
Arvind Lifestyle Brands	-6.00%	-7.28%	NA
Go Fashions	3.45%	11.83%	17.72%
Arvind Fashions Ltd.	-7.08%	0.68%	12.79%
ABFRL	-5.62%	3.20%	4.64%

Source: Technopak Analysis, Annual Reports
ROCE = EBIT (operating Profit i.e. profit before tax + Finance cost) divided by average capital employed, which is defined as average of Equity Fund plus debts plus lease liabilities.
NA- not available
Note: Benetton India and Spykar Lifestyles use Indian GAAP for preparation of their financial statements.
Levi Strauss, PVH Arvind Fashion, Universal Sportsbiz, Indian Terrain, Kewal Kiran Clothing, Arvind Youth Brands, Arvind Lifestyle Brands, Credo Brands Marketing Ltd., Go fashions, Arvind Fashions ltd. And ABFRL use INDAS for preparation of their financial statements.

Net Working Capital Days

Net Working Capital Days describes the number of days it takes for a company to convert its inventory into sales generating cash.

Exhibit 7.7: Inventory Days

Company	FY 2021	FY 2022	FY 2023
Credo Brands Marketing Ltd.	173	154	154
Benetton India	267	173	NA
Levi Strauss & Co.	124	90	NA
PVH Arvind Fashion	266	165	NA
Spykar Lifestyles	106	68	NA
Universal Sportsbiz	176	163	NA
Indian Terrain	182	125	124
Kewal Kiran Clothing	162	104	137
Arvind Youth Brands	103	192	NA
Arvind Lifestyle Brands	429	202	NA
Go Fashions	370	333	326
Arvind Fashions Ltd.	300	175	144
ABFRL	300	234	235

Source: Technopak Analysis, Annual Reports
*Inventory Days= Average inventory for the year (opening + closing/2)/cost of goods sold*365*
NA- not available
Note: Benetton India and Spykar Lifestyles use Indian GAAP for preparation of their financial statements.
Levi Strauss, PVH Arvind Fashion, Universal Sportsbiz, Indian Terrain, Kewal Kiran Clothing, Arvind Youth Brands, Arvind Lifestyle Brands, Credo Brands Marketing Ltd., Go fashions, Arvind Fashions ltd. And ABFRL use INDAS for preparation of their financial statements.

Exhibit 7.8: Debtor Days

Company	FY 2021	FY 2022	FY 2023
Credo Brands Marketing Ltd. (Mufti)	183	132	101
Benetton India	131	48	NA
Levi Strauss & Co.	47	22	NA
PVH Arvind Fashion	123	37	NA
Spykar Lifestyles	321	184	NA
Universal Sportsbiz	15	4	NA
Indian Terrain	388	243	188
Kewal Kiran Clothing	158	103	80
Arvind Youth Brands	155	115	NA
Arvind Lifestyle Brands	157	108	NA
Go Fashions	69	55	40
Arvind Fashions Ltd.	104	68	46
ABFRL	51	34	26

Source: Technopak Analysis, Annual Reports
*Days Receivables = Trade Receivable as at the year-end/Revenue from Operations*365*
NA- not available
Note: Benetton India and Spykar Lifestyles use Indian GAAP for preparation of their financial statements.
Levi Strauss, PVH Arvind Fashion, Universal Sportsbiz, Indian Terrain, Kewal Kiran Clothing, Arvind Youth Brands, Arvind Lifestyle Brands, Credo Brands Marketing Ltd., Go fashions, Arvind Fashions ltd. And ABFRL use INDAS for preparation of their financial statements.

Exhibit 7.9: Creditor Days

Company	FY 2021	FY 2022	FY 2023
Credo Brands Marketing Ltd. (Mufti)	101	91	73

Benetton India	179	152	NA
Levi Strauss & Co.	145	144	NA
PVH Arvind Fashion	88	131	NA
Spykar Lifestyles	130	147	NA
Universal Sportsbiz	226	201	NA
Indian Terrain	242	174	195
Kewal Kiran Clothing	84	68	47
Arvind Youth Brands	240	295	NA
Arvind Lifestyle Brands	317	311	NA
Go Fashions	42	48	50
Arvind Fashions Ltd.	264	224	162
ABFRL	338	335	253

Source: Technopak Analysis, Annual Reports
*Days Payables= Trade payable as at the year-end/Cost of goods sold*365.*
NA- not available
Note: Benetton India and Spykar Lifestyles use Indian GAAP for preparation of their financial statements.
Levi Strauss, PVH Arvind Fashion, Universal Sportsbiz, Indian Terrain, Kewal Kiran Clothing, Arvind Youth Brands, Arvind Lifestyle Brands, Credo Brands Marketing Ltd., Go fashions, Arvind Fashions ltd. And ABFRL use INDAS for preparation of their financial statements.

Exhibit 7.10: Net Working Capital Days

Company	FY 2021	FY 2022	FY 2023
Credo Brands Marketing Ltd. (Mufti)	255	195	182
Benetton India	219	69	NA
Levi Strauss & Co.	26	-31	NA
PVH Arvind Fashion	301	72	NA
Spykar Lifestyles	297	105	NA
Universal Sportsbiz	-35	-34	NA
Indian Terrain	328	194	117
Kewal Kiran Clothing	236	139	169
Arvind Youth Brands	18	12	NA
Arvind Lifestyle Brands	269	-1	NA
Go Fashions	396	340	316
Arvind Fashions Ltd.	140	20	28
ABFRL	13	-66	8

Source: Technopak Analysis, Annual Reports
Net Working Capital Days = Inventory Days + Days Receivables – Days Payables
NA- not available
Note: Benetton India and Spykar Lifestyles use Indian GAAP for preparation of their financial statements.
Levi Strauss, PVH Arvind Fashion, Universal Sportsbiz, Indian Terrain, Kewal Kiran Clothing, Arvind Youth Brands, Arvind Lifestyle Brands, Credo Brands Marketing Ltd., Go fashions, Arvind Fashions ltd. And ABFRL use INDAS for preparation of their financial statements.

OUR BUSINESS

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus,some of which may not be derived from our Restated Consolidated Financial Information or otherwise subjected to an examination, audit or review by any other expert. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision andshould consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial Information and other information relating to our business and operations included in this Draft Red Herring Prospectus. Our fiscal ends on March 31 of each year, so all references to a particular fiscal are to the twelve- month period ended March 31 of that year.

The following discussion contains certain forward-looking statements and reflects our current views with respectto 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 set forth in the section titled "Forward- looking Statements", "Risk Factors", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 15, 23, 196 and 260, respectively.

Unless the context otherwise requires, in this section, references to "we", "us", or "our" refers to Credo BrandsMarketing Limited on a consolidated basis and references to "the Company" or "our Company" refers to CredoBrands Marketing Limited.

The industry-related information contained in this section is derived from the Technopak Report which is commissioned and paid for by our Company in connection with the Offer and is available at https://www.credobrands.in/investors. For further details and risks in relation to the commissioned report, see "Risk Factors – Internal Risk Factors – The industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Technopak Advisors Private Limited exclusively commissioned and paid for by us for our understanding of the industry exclusively in connection with the Offer." on page 47.

OVERVIEW

We are among the largest homegrown brands in the mid-premium and premium men's casual wear market in India in terms of market share in Fiscal 2022. (*Source: Technopak Report*). We believe in providing a meaningfulwardrobe solution for multiple occasions in a customer's life, with our product offerings ranging from shirts to t-shirts to jeans to chinos, which caters to all year-round clothing. Our products are designed to provide a youthfulappearance while keeping up with the ongoing fashion trends.

Our brand "*Mufti*" was launched by our Promoter, Kamal Khushlani, 25 years ago with a vision to redefine menswear. The brand was created as an alternative dressing solution and was designed to deliver a casual alternative with a focus on creative, bold, and expressive clothing for the contemporary Indian man who wanted something more stylish than what was commonly available.

As per the Technopak Report, the share of organized market for men's apparel is expected to increase from ~ 45% in Fiscal 2022 to reach ~60% by Fiscal 2027. Further, men's western wear market contributes to nearly 94% of the total Indian men's apparel market and rest ~6% of the market is contributed by Indian men's ethnic wear (*Source: Technopak Report*). As per the Technopak Report, India's predisposition towards casual wear has grown exponentially over the last few years. Some of the factors that has accelerated the rise of casualisation of men's wear are increasing urbanization, social media connectivity, growth and influence of mobile internet and increased buying propensity amongst consumers and the concept of Friday dressing (casual Fridays) in the corporate world. Also, for time pressed consumers today, casualwestern wear is easy to maintain and wear, and thus becomes a more preferred lifestyle choice (*Source: Technopak Report*). As a result, the categories such as denim, activewear, casual shirts, athleisure, and loungewear are growing at a CAGR greater than 20% (*Source: Technopak Report*). Further, as per Technopak report, the casual led men's western wear are likely to outpace the growth of formal led men's western wear growing at an expected CAGR of22% vis-à-vis 18% for the latter from FY 22 to FY 27.

In order to keep pace with these evolving fashion trends, our product mix has evolved significantly over the past several years from consisting of only shirts, t-shirts and trousers in the year 1998 to a wide range of products including sweatshirts, jeans, cargos, chinos, jackets, blazers and sweaters in relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and also athleisure categories as on date. Our design team is constantly focusing on expanding our product range to meet a varied range of consumer needs.

Our products are available through a pan-India multichannel distribution network that we have built over the yearscomprising of our exclusive brand outlets ("**EBOs**"), large format stores ("**LFSs**") and multi-brand outlets ("**MBOs**"), as well as online channels comprising of our website and other e-commerce marketplaces. Our multi-channel presence is planned strategically in a manner that our products across categories are available at consumers' preferred shopping channels.

As of May 31, 2023, we have a pan-India presence through 1,773 touchpoints consisting of 379 EBOs, 89 LFSs and 1,305 MBOs, with our reach extending from major metros to Tier-3 cities. We had a presence in 582, 598 and 569 number of cities as of March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our well-established EBO network offers a holistic shopping experience for our customers. Our EBOs are located nationwide across high streets, malls, airports and residential market areas. We also have an online presence which is rapidly growing wherein our customers can shop throughour website, *www.muftijeans.in*, as well as through various e-commerce marketplaces.

The table below sets forth a break-down of revenue from operations from our distribution channels for the periods indicated below:

Format of stores	Financial Year 2023		Financial Year 2022		Financial Year 2021	
	Amount(in ₹ million)	% of Total Revenue from Operations	Amount(in ₹ million)	% of Total Revenue from Operations	Amount(in ₹ million)	% of Total Revenue from Operations
EBOs	2,829.08	56.79%	1,768.60	51.84%	1,371.45	56.02%
MBOs	1,515.90	30.43%	1,099.77	32.24%	675.85	27.61%
LFSs	157.56	3.16%	114.65	3.36%	68.87	2.81%
Online*	254.45	5.11%	280.31	8.22%	201.05	8.21%
Others#	224.83	4.51%	148.39	4.35%	131.04	5.35%
Total	4,981.82	100.00%	3,411.72	100.00%	2,448.26	100.00%

** Includes sales through our website and e-commerce marketplaces*

 # Includes sale of trims (such as fabric, buttons, labels, tags, zippers, etc.) and odd lot sale

In order to adapt to an ever-changing retail landscape, we conducted an internal assessment in 2019 and put the learnings to reinvent the brand philosophy. Further, we got the opportunity during COVID-19 to accelerate this change by renovating and relocating some of our existing stores. The number of stores renovated were 60 during the period April 1, 2020 to March 31, 2023.

Furthermore, our website, *www.muftijeans.in*, has been updated to reflect this new philosophy. As part of this brand reinvention, we developed a new merchandise architecture for increasing our share of customer's wallet byproviding designs suited for specific occasions in our customer's life ranging from relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and also athleisure.

We are asset-light with respect to our plant, property, and equipment, primarily due to outsourcing of our manufacturing operations. We comprehensively focus on the design of products and outsource the manufacturingof products to various manufacturing partners. We also conduct multiple levels of checks to ensure we achieve the desired quality. This structure provides us agility with our longstanding sourcing partners allowing us to manage our supply, based on the demand from our various distribution channels. Our asset light model also coversevery aspect of our sales operations, with none of our stores being situated on properties owned by us.

To enhance brand awareness and strengthen brand recall for our brand, we utilise targeted marketing campaigns,and call-for-action, through digital and social media, billboards, multiplex cinemas, and live events. In keeping with the above, we release our adfilms across cinemas in the country, driving a strong brand recall with ourconsumers. We have developed a strong brand identity through effective brand advertising and multiple marketing campaigns for our brand.

Our key financial performance indicators for the last three Fiscals are as follows:

(Amount in ₹ Million, except % and ratios)

KPI	As of/ for the		
	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31, 2021
Revenue from Operations[1]	4,981.82	3,411.72	2,448.26
Year-on-Year Growth in Revenue from Operations (%) [2]	46.02 %	39.35 %	(35.99) %
Gross Profit[3]	2,862.42	1,941.05	1,197.87
Gross Profit Margin[4]	57.46 %	56.89 %	48.93 %
EBITDA[5]	1,638.50	950.97	484.82

KPI	As of/ for the		
	Financial year ended March 31, 2023	**Financial year ended March 31, 2022**	**Financial year ended March 31, 2021**
EBITDA Margin[6]	32.89 %	27.87 %	19.80 %
PAT[7]	775.14	357.40	34.41
PAT Margin[8]	15.56 %	10.48 %	1.41 %
Net Debt/Equity (number of times)[9]	0.65	0.44	0.62
ROCE[10]	28.16 %	17.31 %	5.86 %
ROE (Return on Equity)[11]	29.98 %	16.70 %	1.81 %
Fixed Assets Turnover Ratio (number of times)[12]	9.79	8.64	5.83
Debtor Days[13]	101	132	183
Inventory Days[14]	154	154	173
Creditor Days[15]	73	91	101
Net Working Capital Days[16]	182	195	255

Notes:

1. *Revenue from operations is the total revenue generated by the Company from its operation.*
2. *Year-on-Year Growth in Revenue from Operations is annual growth in revenue from operation as compare with previous year revenue from operation (Revenue from operation of current year- Revenue from operation of previous year/ Revenue from operation of previous year*100).*
3. *Gross Profit is Revenue from operation-cost of goods sold.*
4. *Gross Profit Margin is Gross Profit/ Revenue from Operations*100.*
5. *EBITDA is calculated as Profit before tax + Depreciation & Amortisation + Finance cost – Other Income.*
6. *EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations*100.*
7. *PAT is mentioned as Profit after Taxes for the period.*
8. *PAT Margin is calculated as PAT/ Revenue from Operations*100.*
9. *Net Debt/Equity is calculated as (Total Long term & Short term borrowings + lease liabilities - Cash and cash equivalents) /shareholder's equity.*
10. *ROCE: Return on Capital Employed is calculated as EBIT (profit before tax + finance cost) divided by average capital employed ((opening capital employed +closing capital employed) /2), which is defined as average of Equity Fund plus debts plus lease liabilities.*
11. *ROE (Return on equity) is calculated as PAT/ Average Shareholder's Equity ((opening equity +closing equity)/2).*
12. *Fixed Assets Turnover Ratio is calculated as revenue from operations/average PPE.*
13. *Debtor Days is calculated as Trade Receivable as at the year-end/Revenue from Operations*365. Rounded off to the nearest integer.*
14. *Inventory Days is calculated as average inventory for the year ((opening +closing) /2)/cost of goods sold*365. Rounded off to the nearest integer.*
15. *Creditor Days is calculated as Trade payable as at the year-end/Cost of goods sold*365. Rounded off to the nearest integer.*
16. *Net Working Capital Days is calculated as Debtor Days + Inventory Days – Creditor Days.*

COMPETITIVE STRENGTHS

1. *Strong brand equity with presence across categories*

We are among the largest homegrown brands in the mid-premium and premium men's casual wear market in India in terms of market share in Fiscal 2022.(*Source: Technopak Report*). Launched in the year 1998, our brand"*Mufti*" is a recognised brand with 25 years of presence in India. We provide a wide range of products for multiple occasions in a customer's life, with our product offerings ranging from shirts to t-shirts to jeans to chinos to jackets, which caters to all year-round clothing with a prominent focus on casual wear. Our products are designed to provide a youthful appearance while keeping up with the ongoing fashion trends.

Our product mix has evolved significantly over the past several years from consisting of only shirts and trousers in the year 1998 to a wide range of products including t-shirts, sweatshirts, jeans, cargos, chinos, jackets, blazersand sweaters in relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and also athleisure categories as on date. Our design team is constantly focusing on expanding our product range to meet a varied range of consumer needs.

Our diverse products range comes under the mid-premium to premium price range of clothing in India. Our product's main competitors, in the similar price brackets, are brands such as Jack & Jones, Levi's, Pepe Jeans and U.S. Polo Assn. (*Source: Technopak Report*).

We believe that our focus on expressiveness and boldness in our designs, differentiates us from our competition. Further, we believe, our designs are in line with the global trends in casual wear.

We launched "*Muftisphere*" in the year 2014, a customer loyalty programme, to provide benefits to our customers for shopping the brand thereby increasing their stickiness with the brand. We have a database of over 2.00 million customers on Muftisphere. We believe that we have a strong brand recall amongst our customers. Further, we engage consumers through our social media platform. As on June 30, 2023, we have 134,000 followers on our Instagram page, 3.4 million followers on our Facebook page and 13,900 subscribers on our Youtube channel.

Further, we have a longstanding relationship with our partners across our manufacturing, supply and distribution network with some of these partners being with us since the inception of the brand. As of March 31, 2023, we had a network of 45 fabric and accessories suppliers and over 45 manufacturing partners with the top five suppliers from whom we source the raw materials and manufacturing partners being associated with us for an average of eight years each. We have longstanding relation with these suppliers, which includes Arvind Limited, NSL Textiles Limited, RSWM Limited and Birla Century, a division of Century Textiles and Industries Limited. We believe that our vast network of suppliers and manufacturing partners are instrumental in us being able to introduce products in a time efficient manner.

2. Multi-channel pan-India distribution network

As of May 31, 2023, we have a pan-India presence through 1,773 touchpoints consisting of 379 EBOs, 89 LFS and 1,305 MBOs, with our reach extending from major metros to Tier-3 cities. Our offline channels are complemented by our online presence through our website, *www.muftijeans.in*, and various e-commerce marketplaces.

The table below sets forth a break-down of revenue from operations from our distribution channels for the periods indicated below:

Format of stores	**Financial Year 2023**		**Financial Year 2022**		**Financial Year 2021**	
	Amount(in ₹ million)	**% of Total Revenue from Operations**	**Amount(in ₹ million)**	**% of Total Revenue from Operations**	**Amount(in ₹ million)**	**% of Total Revenue from Operations**
EBOs	2,829.08	56.79%	1,768.60	51.84%	1,371.45	56.02%
MBOs	1,515.90	30.43%	1,099.77	32.24%	675.85	27.61%
LFSs	157.56	3.16%	114.65	3.36%	68.87	2.81%
Online*	254.45	5.11%	280.31	8.22%	201.05	8.21%
Others#	224.83	4.51%	148.39	4.35%	131.04	5.35%
Total	4,981.82	100.00%	3,411.72	100.00%	2,448.26	100.00%

** Includes sales through our website and e-commerce marketplaces*
 # Includes sale of trims (such as fabric, buttons, labels, tags, zippers, etc.) and odd lot sale

EBOs have traditionally been our prime distribution channel to drive our sales. Through our EBOs, we endeavor to offer a holistic in-store brand experience to our customers. In addition, we believe, retailing through EBOs also enable us to enhance the visibility of our brand 'Mufti' and create high recall value amongst our target consumers.Our business development team helps to identify new store location which have potential to reach out to maximum number of target consumers and the project team ensures that the EBO is up and running within a short span. The number of our EBOs as of the last three fiscals and as of May 31, 2023, across geographies in India is as provided below:

Zone	**As at**			
	May 31, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Central	42	42	35	29
East	70	68	58	53
West	104	103	86	75
North	60	58	51	55
South	103	102	91	94
Total	**379**	**373**	**321**	**306**

Further, our EBO network is evenly spread across all cities of India. The tier-wise store split of our EBOs as of the last three fiscals and as of May 31, 2023 is as provided below;

Tier	Number of Stores			
	May 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Top two cities*	47	47	45	49
Next top six cities**	45	45	40	46
Tier 1	64	65	55	47
Tier 2	126	122	105	102
Tier 3	97	94	76	62
Total	**379**	**373**	**321**	**306**

**Includes Greater Mumbai (consisting of Bhiwandi, Mumbai, Navi Mumbai, Thane and Vasai) and Delhi NCR (consisting of Faridabad, Ghaziabad, Gurgaon, New Delhi and Noida)*
***Includes Bangalore, Kolkata, including Howrah, Chennai, Hyderabad, Ahmedabad, and Pune.*

Out of total 379 EBOs as of May 31, 2023, approximately 65.44 % of our EBOs are on the high streets, approximately 32.98 % are in malls, approximately 1.58 % of our EBOs are in airports.

In addition to our EBOs, we also have a strong presence through our MBOs and LFS across all geographical zones in India. The details of our EBOs, MBOs and LFS zone-wise as of May 31, 2023 is provided below:

Channel	Central	East	North	South	West	Total
EBO	42	70	104	60	103	**379**
MBO	181	436	261	187	240	**1,305**
LFS	4	15	19	19	32	**89**
Total	**227**	**521**	**384**	**266**	**375**	**1,773**

We have flagship stores in Mumbai, Ahmedabad, Hyderabad, Surat, Bengaluru, Rajkot, Jodhpur among others.

3. Scalable asset light model

As a wardrobe solutions provider for multiple occasions in a customer's life, we focus on designing our products in line with global fashion trends in casual wear. With a focus on creation of a holistic casual wear brand, we outsource our manufacturing operations, while all aspects of design are managed in-house. This helps us to maintain an asset-light model with respect to plant, property, and equipment.

Using our economies of scale we drive efficient partnerships from the back-end to front-end without a need to invest in developing manufacturing facilities. This structure provides us agility with our longstanding sourcing partners allowing us to increase or decrease our supply based on the demand from our various channels. While we outsource our manufacturing, we continue to maintain oversight over each stage of the process, with centralised ordering of fabric and accessories to meet timelines for each stage of production by our manufacturing partners.

Our selling points are divided into EBOs, MBOs, LFSs and online sales. Our asset light model also covers every aspect of our sales operations, with none of our stores being situated on properties owned by us. Our asset light model provides for scalability and enables us to open EBOs in a time efficient manner. We generally enter into long term lease agreements ranging from five to nine years. Majority of our lease agreements, for our high street stores can, only be terminated at the discretion of our Company, post completion of lock-in period which is upto 3 years.

The table below sets forth the details of the EBOs opened by us in the last three financial years and as at May 31, 2023:

Particulars	May 31, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Number of EBOs opened (including relocated stores)	8	67	45	34
Number of stores relocated	2	6	8	5

Further, we enjoy longstanding relations with our franchisees allowing us to drive growth in a sustainable manner.Of our total franchisee stores across all store formats, 52% of our franchisees have been associated with us for over five years with some of our franchisee partners being associated with us for over 10 years.

The table below sets forth details of the number of EBO stores under the category of COCO, COFO and FOFO as on May 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

EBO store category	Number of stores (as on)			
	May 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
COCO	122	119	94	96
COFO	160	159	142	136
FOFO	97	95	85	74
Grand Total	**379**	**373**	**321**	**306**

Our business model of being an asset light company has led to a consistent improvement in our ROCE for the Fiscals ended 2023, 2022 and 2021 which is 28.16%, 17.31% and 5.86%, respectively.

All of the above allows us to optimize our costs, from procurement costs to distribution costs and employee costs, leading to sustained profitability with improving financial metrics.

Strong in-house design competencies to deliver innovative and high-quality products with end-to-endtech-enabled supply chain capabilities

We believe that our focus on expressiveness and boldness in our designs, differentiates us from our competition and helps us in targeting shoppers who want something more stylish than other mainstream brands. Further, we believe, our designs are in line with the global trends in casual wear. To ensure this, we have an experienced in- house textile print and pattern team, comprising of experienced graphic designers, illustrators, textile designers, and technicians. This allows us to deliver different designs to our consumers season on season. As of May 31, 2023, our design team has 15 members. They have enabled us to create and produce more than 1,348 designs in Fiscal 2023. Our designers have cumulative experience of more than 190 years having worked in domestic retail as well as international markets,providing an understanding of global trends and design practices.

Over the last three years we have reinvented our merchandise architecture and introduced meaningful capsular collections under the categories of relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and also athleisure. We deliver a look-based approach to our consumers wherein we have grown our bottomwear, topwear and outerwear business to ensure that each new garment in one product category compliments the garments in the other product category to provide a complete look. We have over the years grown our sub- categories. This has been demonstrated by the expansion of our denim range, which helped us in driving efficiencies at front end, as well as bolstering the image of the range with new subcategories. This has allowed usto create and broaden the range of our offerings in order to fulfil consumer’s changing demand which we believealso helps in creating a brand loyalty and provides stickiness towards the brand. We intend to branch into other categories using our existing efficiencies.

We also engage with a network of suppliers and manufacturing partners, including an arrangement with an export house having operations outside India, which gives us exposure to international trends enabling us to deliver a product line consistently season on season. To complement our in-house design capabilities, we also have a sampling facility located in our Registered Office, which helps us to actualize new ideas and designs in a time efficient manner. Our samples are then presented by us to our various distribution channel partners at our bi-annual tradeshows, after getting their orders & feedback we place orders for production.

Through our centralized ordering system we assist our manufacturing partners as well as directly source trims (such as fabric, buttons, labels, tags, zippers, etc.) on behalf of our manufacturing partners from reputed mills enabling them to deliver our products in a cost-efficient timely manner whileensuring consistent quality.

Our procurement and quality assurance teams ensure timely deliveries from our manufacturing partners, to deliver a coordinated look in stores assisted by a tech-enabled supply chain management system. Our tech enabled supply chain management software allows us to ensure timely supply from our manufacturing partners enabling a smooth transition from fabric to finished goods. We conduct multiple levels of quality checks to ensurethe right fabric quality, and have various inline quality assurance systems in place to ensure garment conversion of desired quality.

The entirety of our supply chain right from raising a purchase order to goods being received in our warehouse(s), and the timely delivery thereafter to our various distribution channel partners, is managed end to end on our ERP Ginesys. Our tech enabled inventory management system allows us to ensure optimum inventory at our stores aswell as at our warehouse and to move inventory across geographies based on real time analysis of sales.

We have implemented QlikView, a business intelligence tool, for data analytics and management reporting. We are also in the process of evaluating and implementing artificial intelligence and machine learning-based software for merchandising, assortment planning, distribution and replenishment across our EBO stores.

The current system-driven processes and strong analytical capabilities enable us to make data-based decisions andforecast evolving fashion trends across India.

4. *Financially stable business model*

We have organically grown our operations and have demonstrated an increase in our revenues and profitability, other than in Fiscal 2021 when our operations were impacted on account of COVID-19. Our revenue from operations grew by 46.02% from ₹ 3,411.72 million in Fiscal 2022 to ₹ 4,981.82 million in Fiscal 2023. Our Gross Margins were ₹ 1,197.87 million, ₹ 1,941.05 million and ₹ 2,862.42 million or 48.93% 56.89% and 57.46% in Fiscals 2021, 2022 and 2023, respectively. Our EBITDA for Fiscals 2021, 2022 and 2023 was ₹ 484.82 million, ₹ 950.97 million and ₹ 1,638.50 million while our EBITDA Margins were 19.80%, 27.87% and 32.89%, respectively. Our restated (loss) / profit after tax was ₹ 34.41 million, ₹ 357.40 million and ₹ 775.14 million in Fiscals 2021, 2022 and 2023, respectively. Our restated (loss) / profit after tax margin was 1.41%, 10.48% and 15.56% in Fiscals 2021, 2022 and 2023. Our net working capital was ₹ 1,386.19 million, ₹ 1,678.34 million and ₹ 1,918.64 million in Fiscals 2021, 2022 and 2023, respectively.

We ensure that there is a limited leverage on our balance sheet by reducing our borrowings. Our total borrowings for the Fiscals 2021, 2022 and 2023 was ₹ 152.27 million, ₹ 134.64 million and ₹ 100.79 million, respectively. For further details on our borrowings, see "*Financial Indebtedness*" on page 280.

5. *Experienced Promoter and senior management team*

We are led by our Promoter, Kamal Khushlani, a first-generation entrepreneur who launched "*Mufti*" in 1998 and has an experience of over 25 years in the apparel industry. He is involved in product development, brand building, marketing and overall management while providing strategic direction to our Company. Our Promoter, Kamal Khushlani, has put together a team which is committed to the brand's philosophy. He is supported by the senior management team with an experience in the consumer, apparel and retail industry. Our senior management team, along with the vision and guidance of our Promoter, have the expertise to manage and grow our business, while keeping our objectives in mind.

Our senior management team includes 9 members who have a cumulative experience of over 235 years across various industries. Our senior management team contributes to our overall strategic planning and business development and the growth in our revenues and operations. For details, refer to "*Our Management*" on page 176.

OUR STRATEGIES

1. *Expand our domestic store network in existing and new cities*

As part of our growth strategy, we intend to continue increasing our presence by setting up new EBOs and expanding our EBO network in existing as well as additional regions across India. We expect emerging demand from such cities will help fuel our growth. Having established EBOs primarily in major metro,Tier 1, Tier 2 and Tier 3 cities in India, we intend to expand our focus and establish additional EBOs on the basisof existing model, across emerging Indian markets.

We intend to leverage our past efforts and experience, to expand our presence across several markets in India which we have identified as having potential for opening further EBOs. We expect to leverage our existing storenetwork and our knowledge of different markets in India to tap this growth opportunity. The investments we have made thus far in brand building pan-India, understanding the nuances of customer behaviour across geographies, researching and assessing the appropriate locations for our EBOs, and building an online business will enable us to effectively optimize our experience in expanding our EBO network. Our expansion into newer markets offers us the potential for market share gains, increased brand recognition and economies of scale.This would allow us to exploit the opportunity thrown by newer markets, whilst also improving brand recall amongst customers. For the financial years 2023, 2022 and 2021, we added 67, 45 and 34 EBO stores, respectively. Further, between April 1, 2023 to May 31, 2023 we added 8 EBOs.

2. *Enhancement of brand appeal through focused marketing initiatives*

Mufti has developed a strong brand identity through effective advertising with multiple marketing campaigns across digital and social media, billboards, display advertising, print, radio, video, multiplex cinemas and live events. Celebrities have also been a part of these campaigns as brand ambassadors. Additionally, we constantly evaluate and engage with influencers on Instagram, who help us improve regional brand awareness.

Through our focused marketing campaigns, we aim to establish relation with our customers, and project a brand image based on our style / vision / philosophy. *Mufti* has been able to build a resonance with consumers through multiple marketing, advertising and customer engagement initiatives. We intend to continue enhancing the brand recall of our products through the expansion of our EBOs footprint as well as the use of targeted marketing initiatives including digital marketing campaigns, email communications, social media advertisements, event sponsorships, brand ambassador content, multiplex cinemas, and outdoor advertising. We also use in-store communications and visuals, store facades and store shutters for advertising our brand. With an integrated database of over 2.00 million consumers, our Consumer Loyalty Program – Muftisphere, helps engage our consumers through timely email and SMS communications about, amongst others, new season launches, new product launches, promotional scheme announcements and early bird sale offers. Further, we also engage with customers through our social media platform. As on June 30, 2023, we have 134,000 followers on our Instagram page, 3.4 million followers on our Facebook page and 13,900 subscribers on our Youtube channel.

3. Deeper penetration to grow sales through online channels by capitalizing on the increasing e-commerce demand in Indian retail

As per the Technopak Report, India has also witnessed growth in internet penetration and mobile connectivity resulting in increased online presence of the Indian population directly resulting in a boom in e-commerce, socialcommerce, mobile payments etc. The share of online retail in the apparel and apparel accessories segment is expected to reach 24.0% in FY 2027 from 22.0% in FY 2022 (*Source: Technopak Report*).

As we strengthen our brick-and-mortar presence, we continue to drive consumer interest by engaging with them on our online platform. With the continued digital promotion, and timely updates we hope to penetrate deeper which will help to grow share of sales from our website.

For Fiscal 2023, 5.11% of our revenue from operations was generated from online channels, with a majority coming from all leading third-party online marketplaces. Further, we redesigned our website in line with our brand reinvention and merchandise architecture.

In order to take our brand closer to the online consumer we will continue to invest in growing our social media presence through robust content generation across Instagram, Facebook, and Youtube by our in-house team. Additionally, we constantly evaluate and engage with influencers on Instagram, both celebrity as well as micro influencers who help us improve regional brand awareness.

We also use our e-commerce partners to drive deeper penetration and reach to acquire new customers assisted bya dedicated team focused on driving our e-commerce.

4. Focused expansion of our product portfolio to become a men's lifestyle brand

As part of our ongoing journey to evolve brand *Mufti* as a men's lifestyle brand, we intend to expand our wardrobesolutions. Our design team is currently considering designing a line of shoes, caps and socks that will complement our existing offerings to make *Mufti* a 360° men's lifestyle brand. We believe that this willallow us to add new customers whereas reinvigorate the faith of our existing customers in the brand thereby leading in an increase of our share of the consumer's wallet.

As per the Technopak Report, increase in number of households with annual earnings of USD 10,000 to USD 50,000 has led to an increase in the discretionary spending on apparel and accessories, food and beverages, luxury products, consumerdurables and across other discretionary categories. Upward mobility in households is a trend reflected in India's lower income households shifting towards middle class owing to rising incomes. Non-apparel accessories are expected to grow at a CAGR of 20.4% between Fiscal 2022 and Fiscal 2027. (*Source: Technopak Report*)

5. Leverage technology to improve supply-chain management and enhance customer experience

We intend to continue investing further in our IT infrastructure to improve productivity and time savings in orderto increase our operating efficiency and continue to ensure efficient supply chain management. Our supply chain management solutions include IT capabilities / software for tracking stocks at stores, placement of orders for replenishment of stocks at stores, managing eCommerce orders and processing of credit notes to be issued to distributors. We also use software for improving the customer experience, by allowing customers to order products lying at any location in India from any physical store.

In line with the growth of our operations, we have recently upgraded our mother warehouse in Bengaluru, Karnataka to a larger storage capacity, of approximately 142,700 sq. feet. In addition to expansion, we have also optimized and will continue to implement newer systems at our warehouse, including partial automation through installation of conveyor belts and moving to a bin-type storage system from a rack type storage system. We will continue to upgrade our warehouse to optimize our inventory and supply management systems, including bring in more efficient processes for handling, storage and retrieval.

As part of our ongoing vision to bring the customer the best possible in-store experience and to further enhance our share of the consumer's wallet, we aim to customize our learnings from decades of experience of in-store consumer behaviour. We believe through data analytics we will be in a better position to understand customer preferences, improve sales and help scale our operations. We also believe that this will allow us to customize the buying experience of customers both in-store as well as online while also allowing us to tailor our outreach programmes and marketingto suit specific customer behaviour patterns. Implementation of newer technologies will not only allow us to improve delivery cycles with faster dispatches but also allow us to enhance overall customer buying experience.

OUR PRODUCT PORTFOLIO

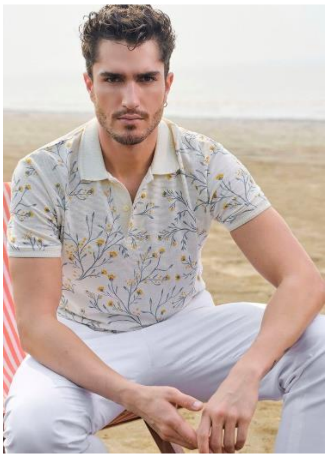
Our products are classified into three broad categories, being topwear, bottomwear and outerwear across a rangeof price points. As part of our brand re-creation, we have developed a new merchandise architecture for increasingour share of the consumer's wallet by providing designs suited for specific occasions in our customer's life rangingfrom relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and also athleisure. We target the shopper who wants something more stylish than other mainstream brands.

We have both a lifestyle as well as category approach to our business. The lifestyle aspect is managed through coherent display at our stores to communicate our lifestyle thought to the end consumer.

From our design perspective, we look at the line in a category view which enables us in maintaining a healthy mixin demand for both our topwear and bottomwear mainly t-shirts, casual shirts and jeans. As per the Technopak Report, the other brands with a balanced mix of products in the categories of t-shirts, casual shirts and jeans are Levi's and Pepe Jeans.

The table below provides certain information on our product portfolio and break down by sub-category and pricerange, as of March 31, 2023:

Product –Type	Product Portfolio	MRP Range(in ₹)
Topwear	T-shirt, flatknits, sweatshirts and shirts	1,199 – 3,999

Product –Type	Product Portfolio	MRP Range(in ₹)
	   	
Bottomwear	Jeans, chinos, cotton pants, joggers, cargos and shorts  	1,699 – 5,299

Product –Type	Product Portfolio	MRP Range(in ₹)
	   	
Outerwear	Jackets, sweaters and blazers  	2,799 – 7,499

Product –Type	Product Portfolio	MRP Range(in ₹)
	 	

The weighted average MRP for our product portfolio, in the last three fiscals is as provided below:

(in ₹)

Product	Fiscal 2023	Fiscal 2022	Fiscal 2021
Shirt	2,481	2,160	2035
Bottoms	3,954	3,564	3359
T-Shirt	2,226	1,867	1717
Outerwear	5,520	5,431	4683

Further, the product wise quantity sold in the last three Fiscals is as follows:

Product	Quantity sold for the Fiscal		
	2023	2022	2021
Shirt	1,731,116	1,289,589	1,127,546
Bottom	1,198,160	868,156	701,190
T-shirt	523,345	466,366	398,329
Outerwear	91,051	79,667	71,146

Our Retail Channels

Our pan-India retail network is comprised of EBOs, LFSs, MBOs and online channels, including our website ande-commerce marketplaces.

EBOs

EBOs are central to our growth strategy; we opened our first EBO store in Mumbai in 2006. In addition to increasing brand visibility and awareness within each city, our EBOs enable us to provide a high quality and standardized experience to our customers. We aim to identify and assess the most attractive locations for EBOs in order to maximise revenues from our offline footprint. We believe, identifying and determining the right location of a store (high-street areas and main shopping hubs) is a critical factor in ensuring visibility among the target customers and sustainability of store operations. We have set internal parameters in relation to property identification including location, rental costs and proximity to the catchment area which has led to establishment of our brand identity amongst our customers. As of May 31, 2023, we had 379 EBOs across 213 towns and cities in India, respectively with our reach extending from major metros to Tier-3 cities across India. Our well-established EBO network offers a holistic shopping experience for our customers.

Please see below the details of the revenue generated from our EBOs for the Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue generated *(in ₹ million)*	2,829.08	1,768.60	1,371.45
Percentage of the revenue from operations *(%)*	56.79%	51.84%	56.02%

Examples of some of our EBO storefronts and interiors are below:

MBOs and LFSs

As of May 31, 2023, we sell across 1,305 MBOs and 89 LFS in most towns and cities in India, with our reach extending from top metros to Tier-3 cities across India.

Please see below the details of the revenue generated from our MBOs for the Fiscals 2023, 2022 and 2021:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue generated *(in ₹ million)*	1,515.90	1,099.77	675.85
Percentage of the revenue from operations *(%)*	30.43%	32.24%	27.61%

Please see below the details of the revenue generated from our LFSs for the Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue generated *(in ₹ million)*	157.56	114.65	68.87
Percentage of the revenue from operations *(%)*	3.16%	3.36%	2.81%

Online including own website

For Fiscal 2023, 5.11% of our revenue from operations was generated from online channels, including 0.49% which was from our website, *www.muftijeans.in*, and balance 4.62% from all leading third party e-commerce marketplaces.

Please see below an image from our website:

Supply Chain Process, Warehousing and Inventory Management

We are a design and retail focused company and accordingly, we outsource our manufacturing operations, which helps in keeping our fixed costs low. As of March 31, 2023, we were working with over 45 manufacturing partnersfor manufacturing our products. We exercise control and regular supervision over the manufacturing operations at the facilities of our manufacturing partners through our personnel who are either stationed at such facilities or periodically visit these facilities for inspections and quality checks enabling us to efficiently carry out procurement, maintain the desired quality of products and optimize our inventory levels.

Our arrangements with our manufacturing partners are non-exclusive on a purchase order basis to provide us manufacturing services in compliance with the quality standards and other requirements such as time and place of delivery, as specified by us. Our arrangements require that the manufacturing partners shall utilize their own manufacturing facilities, equipment and personnel on their payroll. We also retain the right to inspect the premises or facilities of our manufacturing partners during business hours.

The raw materials utilized in the manufacturing of our products include fabrics and accessories. We have a centralized order system for our raw materials wherein we negotiate with the suppliers for the raw materials and the same is procured by the manufacturing partner on behalf of us for the purpose of manufacturing of our finishedproducts. Our centralized ordering system allows us to derive benefits of bulk order discounts and also ensures timely availability of raw materials as per the need of the manufacturing partner. Further, storage of raw materials is done at the respective facilities of the manufacturing partners.

Moreover, the sourcing team works closely with the design team to evaluate new suppliers routes as well as manufacturing partners that can help us introduce new products on a regular basis. This pipeline of evaluating new suppliers as well as manufacturing partners ensures that we are able to deliver credible, meaningful new product season after season. Besides the regular seasonal business calendar, our front-end focus helps us evaluate the ever-changing needs ofour consumer, and plan for fresh lines when needed.

Finished garments are delivered to our warehouse by the manufacturing partner at their own cost. We maintain insurance for all garments stored at our warehouse and also during transit to stores or warehouses of our customers.

Our inventory management processes include product allocation for all our sales channels and store planning based on assessing sales potential and requirements. The analysis for stocking of our products is supported by our inventory replenishment mechanism, which includes monitoring of sales at each store and warehouse. We endeavour to ensure that product requirements and order fulfilment at each store, across store formats, is done ina timely and efficient manner. The entirety of our supply chain right from raising purchase orders to final delivery of goods to our warehouse is managed end-to-end in Vesture, and the distribution thereafter to our various storesand partners, is managed end to end on our ERP system "Ginesys".

Quality Control and Quality Assurance

We are committed to maintaining high quality standards throughout our sourcing and procurement cycles. We have outsourced to an external agency the process of carrying out inspection, whereby they carry out fabric and garment inspections at our suppliers and manufacturing partner’s units based on internal quality standards, in conformity with regulatory processes, and product quality tracking. We conduct multiple levels of quality checks to ensure the right fabric quality and have various inline quality assurance systems in place to ensure quality of garment conversion to the last mile.

As of May 31, 2023, our quality assurance team, consisting of 10 members, are responsible for ensuring compliance with our established and proven quality standards.

Branding, Sales and Marketing

Our marketing and advertising initiatives are executed with focused marketing campaigns across digital and social media, billboards, display advertising, print, radio, video, multiplex cinemas and live events, which helpsus connect with a larger audience base.

Our branding processes are also aimed at ensuring that our brand has a distinctive identity across categories by utilizing the brand logo, properties and taglines across our marketing materials. We utilize identifiable and standardized colors and typography across packaging materials, at point of sales and in our communications bothonline and at physical stores. Our new logo and the thought process behind it is provided below.

The logo was derived from the Devanagari letter for ‘M’, signifying and reiterating our status as a home-grown brand of Indian origin. The logo is incorporated into our campaign images at store, on billboards, and other formsof communication in print.

Our sales and marketing strategies aim to increase brand recall, brand awareness, acquire new customers, marketnew concepts, drive customer traffic across our retail channels and strengthen and reinforce our brand image. A robust sales force continues to drive our image across the MBO network, while strong regional retail teams ensureconsistency across regions through communication via visual merchandising.

Product Pricing

We arrive at a pricing for each of our products through a detailed mechanism that takes into consideration, a range of factors, including costs incurred in connection with procurement, exclusive availability of the product and other ancillary expenses While we determine the maximum retail price of our products, which are being sold through various e-commerce platforms and MBOs, products may be sold at a different price by these e-commerce platforms and MBOs, which may offer additional discounts to their customer base on certain occasions such as festivals, annual sales, etc. We strive to ensure that our products remain aspirational yet accessible to our customers.

Information Technology

We believe that a robust IT infrastructure is essential for ensuring strong operational efficiencies and enhancing productivity and we continue to focus on building and improving our IT capabilities to better serve and support the growth of our business. As a result, over the years, we have implemented innovative technology initiatives atthe front-end and back-end of our operations, including our procurement, distribution and supplychain and point-of-sale systems, which are integrated with our systems for a view on the lifecycle of each of our SKUs. With data being the backbone and the key to strengthening our business model, all our processes are captured and integrated right from our raw material purchase to the sale to end consumers. Decisions are taken with the technology enabled tools, which are based on facts and help us constantly monitor processes on a day- to-day basis.

We supervise our sales and inventory at all point-of-sale, being EBOs, through one ERP system “Ginesys”. Thisprovides information with which we can forecast trends and monitor performance of each SKU at each point of sale.

We use our - “MuftiConnect” software to manage our stores, which helps us strengthen our internal processes toimprove the of customers experience at our stores. The business intelligence tool we use, helps us monitor sales and replenish our stocks on a regular basis.

Further, we track production processes at each milestone. This enables us to control and monitor the entire production process right from the beginning till the product is delivered at our warehouse. This process is implemented right from the design stage and gives us a view of the entire lifecycle of a product from first patterndesign and indent release to final delivery of finished goods at the warehouse.

We use the software Vesture for our supply chain management which enables us to ensure timely supply from ourmanufacturing partners enabling a smooth transition from fabric to finished goods.

CSR initiatives

We have constituted a corporate and social responsibility (“**CSR**”) committee of our Board of Directors (the “**CSRCommittee**”) and have adopted and implemented a CSR policy on December 26, 2014, pursuant to which we carry out our CSR activities. Our recent CSR initiatives include contributions for providing education and livelihood awareness for females (women empowerment).

Our CSR initiatives are aimed towards providing support for infrastructure development to promote vocational education and technical education. Further, we make contributions towards women empowerment.

In Fiscals 2021, 2022 and 2023, we were required to spend ₹ 5.12 million, ₹ 4.23 million and ₹ 6.16 million, respectively and we incurred ₹ 5.37 million, ₹ 4.30 million and ₹ 6.40 million as expenditure towards our CSR activities.

Competition

As per the Technopak Report, the acceptance of men’s western and particularly casual wear as an apparel of choice for daily wear purposes has been a key growth driver for this category in the last decade. This is reflected in the rising share of casual wear in the overall men’s wear sales. T-Shirts, Casual Shirts and Denims are key categories that make up the Men’s Casual Wear offering (*Source: Technopak Report*). Brands like Mufti, Levi’s and Pepe are among those brands that offer the most balanced mix of products across all these three categories (*Source: Technopak Report*). Further, as per the Technopak Report, the top three brands selling one or more than one men’s casual led western wear brand in the mid-price plus segment are U.S. Polo Assn, Levi’s and Mufti.

Insurance

Our operations are subject to hazards inherent in storing and transporting our products such as work accidents, fire, explosions, earthquakes, flood and other force majeure events including hazards that may cause loss of life and severe damage to and the destruction of property and inventory. Our principal types of insurance coverage include coverage for all our stores, consequential loss policy for all normal risks associatedwith our business, including fire, burglary, money, terrorism and other natural disasters and marine policy. We also obtain insurance for goods stock. We also have a group mediclaim policy for our employees. These insurance policies are generally valid for a term of one year, renewable annually.The insurance coverage currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. See “*Risk Factors – Internal Risk Factors –Our insurance policies may not adequately cover our losses, or we may incur uninsured losses in excess of our insurance coverage.*” on page 38.

Employees

Our employees are one of our most important assets and are critical to us maintaining our competitive position inour key geographical markets and in our industry. As of May 31, 2023, we had 220 employees, as set forthbelow:

Department	**Number of employees**
Directors and KMP	4
Accounts and Finance	21
HR and Admin	3
Design	15
E-Commerce	8
IT	11
LFS - Partner Retail	10
Marketing	6

MBO - Partner Retail	26
Planning, Monitoring and Merchandising	4
Procurement and sourcing	31
Quality Assurance	10
Retail	60
Warehouse and Logistics	9
Compliance and Legal	2
Grand Total	**220**

As of May 31, 2023, in addition to our full-time employees, we engaged 1,055 personnel on a contractual basis.

In addition to compensation that includes salary and employee stock options, we provide our employees with other benefits which include insurancecoverage and paid leave. We have instituted inclusivity initiatives for our employees. We have inplace a rewards and recognition program and conduct regular events to recognize and award employees based onperformance and the impact they have made, irrespective of their seniority, department or location. Our employeeinduction procedures are focused on taking regular feedback and facilitating interaction between new employeesand senior management.

For the Financial Years 2023, 2022 and 2021, our employeebenefits expense were ₹ 267.63 million, ₹ 291.76 million and ₹ 218.33 million, respectively, constituting 6.60%, 9.50% and 8.49% of our total expenses, respectively.

Intellectual Property

As on the date of the DRHP, we have obtained 35 trademark registrations in India relating to our brand under several classes. In addition to the existing trademark registration, we have also filed one application for registration of trademark. Our registered trademarks are valid for a period of 10 years from the date of application and renewable for a period of 10 years, on expiry. We have obtained three copyrightsin India pertaining to our brand and one copyright which has been applied for under the Copyright Act, 1957, as amended.

For further details, see "*Government and Other Approvals*" on page 287, and "*Risk Factors – We may be unable to adequately obtain, maintain, protect, and enforce our intellectual property rights including 'Mufti', and inability to protect or use our intellectual property rights may adversely affect our business and operations.*" on page 33.

Properties

Our Registered and Corporate Office is located at Plot No. B-8, MIDC Central Road, Marol, Next to MIDC PoliceStation, Andheri East, Mumbai 400 093, Maharashtra, India which is leased by us and is valid until December 15, 2023. In addition, our mother warehouse located in Bengaluru, Karnataka is held by us on a leasehold basis with a validity up to October 31, 2032. Further, majority of the EBOs owned by us are located in properties held by us on a leasehold basis ranging from 5 to 9 years.

We also have a warehouse situated at the ground floor of our Registered and Corporate Office, where we store our sampling raw material and trims (such as fabric, buttons, labels, tags, zippers, etc.). We have another warehouse situated at D-22, 23 and 24, Udyog Sadan Co-op Society Ltd., 2nd Floor, MIDC Central Road, Andheri East, Mumbai – 400 093, Maharashtra, India, where, we store our finished goods.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain relevant laws and regulations as prescribed by the Government of India or state governments which are applicable to our Company. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Taxation statutes such as the Income-tax Act, 1961, the Customs Act, 1962 and the relevant goods and services tax legislation apply to us as they do to any other company. For details of government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 287.

Industry Specific Regulations

National Textile Policy, 2000 ("NTP 2000")

The NTP 2000 aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing and to equip the textile industry to withstand pressure of import penetration and maintain dominant presence in the domestic market. The industry aims at developing a strong and vibrant textile industry that can produce quality products at acceptable prices. This objective is sought to be achieved by liberalising controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. Major thrust areas of NTP 2000 includes increase in exports and innovating marketing strategies, product diversification along with quality consciousness, among others. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include raw materials, clothing, export and knitting.

Legal Metrology Act, 2009 ("Legal Metrology Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodities Rules")

The Legal Metrology Act establishes and enforces standards of weights and measures, and regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The Legal Metrology Act prohibits quoting prices or charges, issuing or exhibiting any price list, invoice, cash memo or other document, publishing any advertisement, or indicating the net quantity of a pre-packaged commodity, otherwise than in accordance with the standard units of weight, measure or numeration. Manufacturers are required to maintain records and registers, and make declarations on pre-packaged commodities, in the manner prescribed under the Legal Metrology Act. Penalties and punishments are prescribed for numerous offences under the Legal Metrology Act, including selling or delivering commodities, articles or things by means other than the standard weight, measure or number, or using non-standard weights, measures or numeration. The Packaged Commodities Rules were framed under Sections 52(2)(j) and (q) of the Legal Metrology Act and lay down specific provisions applicable to packages intended for retail sale, wholesale and for export and import. Pursuant to the advisory dated December 16, 2016, issued by the Director of Legal Metrology (the "Advisory"), the mandatory labelling requirements applicable to pre-packaged commodities under the Packaged Committees Rules are not applicable to garments sold in loose form. The Advisory clarifies that the labelling requirements for garments sold in loose form include the name/description of the product, the size of the product in internationally recognisable size indicators (such as S, M, L, XL, etc.) along with details in metric notation in centimetres or metres, the maximum retail price, and the name, full address and customer care number of the manufacturer.

Bureau of Indian Standards Act, 2016

Bureau of Indian Standards Act, 2016 provides for the establishment of the Bureau of Indian Standards ("BIS") for the development of the activities, inter alia, standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services, and for matters connected therewith and incidental thereto. Functions of the BIS include, inter alia, (a) recognizing as an Indian standard, with the prior approval of the Central Government, the mark of any international body or institution at par with the standard mark, for such goods, articles, process, system or service in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; (c) providing training services in relation to inter alia, quality management, standards, conformity assessment; (d) publishing Indian standards; promotion of safety in connection with any goods, article, process, system or service; and (e) any such other functions as may be necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stakeholders.

Sale of Goods Act, 1930

The Sale of Goods Act, 1930 (the "Sale of Goods Act") governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for 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 goods, delivery of goods, rights and duties of the 120 buyer and seller,

Shops and Establishments Legislations

Establishments are required to be registered under the provisions of local shops and establishments legislations applicable in the states where such establishments are set up. Such legislations regulate the working and employment conditions of workers employed in such 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. Shops and establishments have to be registered under the shops and establishments legislations of the respective states where they are located.

Consumer Protection Act, 2019 (the "Consumer Protection Act") and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, *inter ali*a to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with "e-commerce" defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakh. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

The Consumer Protection (E-Commerce) Rules, 2020 (the "Consumer Protection Rules")

The Central Government has notified the Consumer Protection (E-Commerce) Rules, 2020, in exercise of its powers conferred by the Consumer Protection Act, 2019. The Consumer Protection Rules primarily envisages the duties & liabilities of ecommerce entities involved in marketing and selling goods and services to the consumer on the online platform. The Consumer Protection Rules will be applicable to all electronic retailers (e-tailers), registered in India or abroad but offering goods and services to Indian consumers. It empowers the Central Government to act against unfair trade practices in e-commerce, direct selling. They require e-tailers to facilitate easy returns, address customer grievances and prevent discriminating against merchants on their platforms. The Consumer Protection Rules will apply to all goods and services bought or sold over any digital platform; all models of e-commerce including marketplace and inventory models of e-commerce; all e-commerce retail, including multi-channel single brand retailers and single brand retailers in single or multiple formats; all forms of unfair trade practices across all models of e-commerce. The Consumer Protection Rules are equally applicable on the foreign registered e-commerce entity offering goods and services to consumers in India.

The Information Technology Act, 2000 and the rules made thereunder

The Information Technology Act, 2000 (the "**IT Act**") was enacted with the purpose of providing legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic records through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. It provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored, or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

Under the Information Technology Act, 2000, we are subject to civil liability to compensate for causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by us due to negligence in implementing and/or maintaining reasonable security practices and procedures.

The IT Act and the Information Technology (Amendment) Act, 2008, which amended the IT Act, facilitate electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability under specified circumstances, and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorized manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

In April 2011, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("**DoIT**"), in exercise of its power to formulate rules with respect to reasonable security practices and procedures and sensitive personal data, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**SPDI Rules** ") in respect of Section 43A of the IT Act, which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. Under the SPDI Rules, sensitive personal data is defined to include personal information relating to passwords, financial information such as bank account or credit card or debit card or other payment instrument details, physical, physiological, and mental health condition, sexual orientation, medical records, biometric information and so on.

The SPDI Rules require every such body corporate, or person acting on behalf of a body corporate, to provide a privacy policy for collecting, receiving, possessing, storing, handling, and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The SPDI Rules further require that all such personal data be used solely for the purposes for which it was collected, and any collection or third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

Labour Law Legislations

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- Shops and Establishments Legislations;
- Employees' Compensation Act, 1923;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act 1979;
- The Child Labour (Prohibition and Regulation) Act, 1986;
- The Equal Remuneration Act, 1976;

- The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001;
- Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996;
- The Code on Wages, 2019*;
- The Occupational Safety, Health and Working Conditions Code, 2020**;
- The Industrial Relations Code, 2020***;
- The Code on Social Security, 2020****.

* *The Government of India enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. While certain provisions of the Code of Wages, 2019 relating to constitution of advisory board have been notified by the Central Government, other provisions are yet to be notified. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

** *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 are yet to be implemented. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

*** *The 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 are yet to be implemented. 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.*

**** *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 are yet to be implemented. It proposes to subsume several 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, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.*

Plastic Waste Management Rules, 2016

The Plastic Waste Management Rules, 2016, were implemented to provide a regulatory framework for the management of plastic waste generated in the country. They require any person or group of persons or institution generating plastic waste or discarding plastic after its intended use is over, to take steps to minimise the generation of plastic waste, segregate plastic waste at source, not litter plastic waste, and ensure that plastic waste is handed over to the specified persons or authorities.

Intellectual Property related laws

(i) The Trade Marks Act, 1999 (the "Trademarks Act")

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or 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 are required to be restored. Further, pursuant to the notification of the Trademarks (Amendment) Act, 2010 ("Trademark Amendment Act") simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

(ii) The Trade Marks Rules, 2017

In March 2017, the Trade Mark Rules, 2017 ("Trade Mark Rules") were notified, in supersession of the Trade Marks Rules, 2002. The Trade Mark Rules brought about changes in the application process, in terms of an increase in application fees and common formats for several kinds of applications. However, the e-filing process has been incentivized by providing for lower application fees. With the Trade Mark Rules, the definition of "Opposition" also saw a change to encompass a greater. Further, the Trade Mark Rules also allow for video conferencing for conducting hearings.

(iii) The Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 2013 ("**Copyright Laws**") governs copyright protection in India. The Copyright Laws protect the legal rights of the creator of an 'original work' by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography, and sound recordings. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. Upon registration, the copyright protection for a work exists for a period of 60 years following, the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance, or exhibition in public, making a translation of the work, making an adaptation of the work, and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

(iv) Designs Act, 2000 ("Designs Act")

The Designs Act offers protection to designs, defined as the features of shape, configuration, pattern, ornament, or composition of lines or colors applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means. It enables the registration of any new or original design not previously published in any country and which is not contrary to public order or morality. A design may be registered in respect of any article of manufacture.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; and (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette. FTA read with the Indian Foreign Trade Policy 2015 – 2020 (extended up to September 30, 2021) provides that no export or import can be made by a company without an importer-exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Foreign Investment Laws

Foreign investment in India is governed by the provisions of the FEMA along with the rules, regulations and notifications made by the Reserve Bank of India, including the FEMA Rules, as amended thereunder, and the consolidated FDI Policy ("FDI Policy") issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT", earlier known as Department of Industrial Policy and Promotion). The FDI Policy consolidates all the press notes, press releases, and clarifications on FDI issued by DPIIT. For further details, please see *"Restrictions on Foreign Ownership"* on page 332.

The Foreign Trade Policy, 2015-20

The Foreign Trade (Development & Regulation) Act, 1992 empowers the Central Government to formulate and announce the foreign trade policy from time to time. The Foreign Trade Policy, 2015-20 (the "**Foreign Trade Policy**") came into effect in 2017 and requires all importers and exporters to obtain 'Importer Exporter Code' from the Director General of Foreign Trade ("**DGFT**").

In terms of the Foreign Trade Policy, domestic laws apply mutatis mutandis on imports unless the same are explicitly exempted. However, goods to be utilized for manufacture of export products, as notified by the DGFT, may be exempted from application of the domestic laws.

The Foreign Trade Policy also empowers the DGFT to impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organizations, groups, individuals or products.

The Foreign Trade Policy provides for (i) Merchandise Exports from India Scheme ("**MEIS**") and (ii) Service Exports from India Scheme ("**SEIS**") for promotion of exports from India. As per the Foreign Trade Policy, Duty Credit Scrips are granted as reward to eligible exporters under MEIS and SEIS. Apart from the above two schemes, the Foreign Trade Policy also provides for other incentive schemes such as the export promotions capital goods scheme and duty exemption/remission scheme.

Draft India Data Accessibility and Use Policy, 2022:

The Draft India Data Accessibility and Use Policy ("Data Policy ") was introduced by the Ministry of Electronics & Information Technology ("MEITY") on February 21, 2022. The Data Policy aims to enhance access, quality, and use of non-personal data, in line with the current and emerging technology needs of the decade. The primary objectives of the policy include: (i) maximising access to and use of quality non personal data available with public sector; (ii) enhancing the efficiency of service delivery; (iii) promoting data interoperability and integration to enhance data quality; (iv) protecting privacy and security of all citizens; (v) building digital and data capacity, knowledge and competency of government officials; (vi) increasing the availability of datasets of national importance; and (vii) streamlining inter government data sharing while maintaining privacy, etc. The Data Policy also proposes that India Data Office shall be set by MEITY with an objective to streamline and consolidate data access.

The Digital Personal Data Protection Bill, 2022 ("Data Protection Bill"):

The Central Government has released the draft Data Protection Bill on November 18, 2022. The Data Protection Bill provides for collection and processing of digital personal data by companies. According to the Data Protection Bill companies collecting and dealing in high volumes of personal data will be defined as significant data fiduciaries. These significant data fiduciaries will be required to fulfil certain additional obligations under the Data Protection Bill including appointment of a data protection officer who will be the point of contact between such fiduciaries and individuals for grievance redressal. Further such data fiduciaries will also be required to appoint a data auditor who will evaluate their compliance with the Data Protection Bill (if and once passed into law).

Taxation Laws:

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Income-tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
- Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-specific legislations made thereunder; and

- The Integrated Goods and Service Tax Act, 2017; and state-specific legislations in relation to professional tax.

Other Laws and Legislations

In addition to the above, we also comply with the provisions of the Companies Act, and rules framed thereunder, the Competition Act, 2002 and other applicable laws and regulation imposed by the Central Government and state governments and other authorities for our day-to-day business, operations, and administration. Our Company also complies with various central and state tax laws.

HISTORY AND CORPORATE STRUCTURE

Brief history of our Company

Our Company was incorporated as a private limited company in the name of 'Credo Brands Marketing Private Limited' in Mumbai, India under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 29, 1999, issued by the RoC. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a board resolution dated April 7, 2023, and a special resolution passed by our shareholders on April 18, 2023, consequent to which a fresh certificate of incorporation dated May 11, 2023, was issued by the RoC to our Company and the name of our Company was changed to 'Credo Brands Marketing Limited' with effect from May 11, 2023.

Changes in Registered Office

The details of changes in the registered office of our Company are given below:

Date of change of Registered Office	Details of the address of Registered Office	Reason
January 15, 2003	From 32-D, Palmlands, Pali Naka, Bandra (West), Mumbai 400050, Maharashtra, India to 701, Krishna Kunj, 14th A Road, Ahimsa Marg, Khar (West), Mumbai – 400052, Maharashtra, India	The registered office was situated at the residence of Promoters and was shifted due to change in residential address of Promoters.
July 17, 2008	From 701, Krishna Kunj, 14th A Road, Ahimsa Marg, Khar (West), Mumbai – 400052, Maharashtra, India to K-5, 2nd floor, Tex Center, Chandivali, Andheri (East), Mumbai - 400072, Maharashtra, India	In order to streamline the day to day activities of the Company and for better administrative reasons.
April 02, 2019	From K-5, 2nd Floor, Tex Center, Chandivali, Andheri (East), Mumbai City – 400072, Maharashtra, India to B 8, MIDC Central Road, Marol, next to MIDC Police Station, Andheri (E), Mumbai City – 400093, Maharashtra, India	Shortage of space at the previous premise and requirement of bigger space.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company is:

To carry on the business as manufactures and traders in garments and Garment Accessories and branded premium consumer items of the world.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Draft Red Herring Prospectus.

Date of Shareholders' Resolution	Particulars
March 1, 2021	Pursuant to the resolution passed at the extra-ordinary general meeting on March 1, 2021, the clause V of the MoA was amended to increase the authorized share capital from ₹ 32,500,000/- (Rupees thirty two million and five hundred thousand only) divided into 3,250,000 (three million and two hundred and fifty thousand) equity shares of ₹ 10/- (Rupees Ten) each to ₹ 50,000,000/- (Rupees fifty million only) divided into 5,000,000 (five million) equity shares of ₹ 10/- (Rupees Ten) each.
February 14, 2023	Pursuant to the resolution passed at the extra-ordinary general meeting on February 14, 2023, the clause V of the MoA was amended to increase the authorized share capital from ₹ 50,000,000/- (Rupees fifty million only) divided into 5,000,000 (five million) equity shares of ₹ 10/- (Rupees Ten only) each to ₹ 140,000,000/- (Rupees one hundred and forty million only) divided into 14,000,000 (fourteen million) equity shares of ₹ 10/- (Rupees Ten only) each.

Date of Shareholders' Resolution	Particulars
April 18, 2023	Pursuant to a Board resolution dated April 7, 2023 and Shareholders' resolution dated April 18, 2023, each equity share of our Company of face value ₹10 was sub divided into 5 equity shares of ₹ 2 each and accordingly the authorized share capital of the Company of ₹ 140,000,000/- (Rupees one hundred and forty million only) divided into 14,000,000 (fourteen million) equity shares of ₹ 10/- (Rupees Ten only) each is now divided into 70,000,000 (seventy million) equity shares of ₹ 2/- (Rupees Two only) each.
April 18, 2023	Pursuant to the resolution passed at the extra-ordinary general meeting dated April 18, 2023 the clause I of the MoA was amended to reflect a change in name of our Company from 'Credo Brands Marketing Private Limited' to 'Credo Brands Marketing Limited'.

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Calendar Year	Major Events and/or Milestone
1998	Launch of the brand "Mufti"
1999	Incorporation of our Company
2003	Brand purchased by our Company from proprietary concern of Kamal Khushlani
2008	Investment by Bennett Coleman & Co. Limited
2010	Opened our 100th store
2013	Opened our 200th store
2019	Reinvented the brand philosophy & new logo
	Opened our 300th store
2022	Opened our 350th store

Key Awards, Accreditations and Recognition

Our Company has received the following key awards, accreditation, and recognition:

Year	Awards/Accreditation
2019	Our Company received 'Retailer of the Year (Fashion and Lifestyle)' award at the Global Awards for Retail Excellence by ET Now.
2017	Our Promoter, Kamal Khushlani was named in the 'Most Influential Retail Leaders Listing' by Asia-Africa-GCC Retail and Shopping Centre Congress and Awards at the Asia Retail Congress
2015	Our Promoter, Kamal Khushlani was awarded the title of one of the 'Most Talented Retail Professionals' by CMO Asia at the Asia Retail Congress
	Our Promoter, Kamal Khushlani received the 'Retail Leadership Award' by CMO Asia at the Retail Excellence Awards
2014	Our Company was awarded the Golden Scale Trophy for the 'Brand of the Year – Men's Casual Wear' by Apex
2013	Our Company was awarded the title of 'Badshah-e-Hind – Esteemed King of India' by Indian Power Brands at the GlamMe Awards.
	Our Company received an award for the 'Most Admired RMG Manufacturer – West' from InFashion Honours, Faitma Images.
2011	Our Company was chosen as an 'Indian Power Brand' by the Indian consumer at the Indian Power Brands, the Global Superpower Edition

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation by our Company in the last ten years

Our Company has not made any material acquisition or divestment in any business or undertaking nor have we undertaken any merger or amalgamation in the ten years preceding the date of this Draft Red Herring Prospectus.

Guarantees given by the Promoter Selling Shareholders

As on the date of this Draft Red Herring Prospectus, the Promoter Selling Shareholders have not issued any guarantee in favour of any third parties.

Revaluation of assets in the last ten years

Our Company has not undertaken any revaluation of its assets in the ten years preceding the date of this Draft Red Herring Prospectus.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For information on key products launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our stores, please see the section entitled "*Our Business*" on page 146.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling or restructuring of borrowings with financial institutions/banks. For further information of our financing arrangements, please see the section entitled "*Financial Indebtedness*" on page 280.

Time and cost overruns

There have been no time and cost overruns in the implementation of any of our projects since our Company has not set up any project since incorporation.

Significant Strategic or Financial Partners

Our Company does not have any significant strategic or financial partners as on the date of this Draft Red Herring Prospectus.

Lock-out and strikes

There have been no instances of strikes or lock-outs at any time in our Company.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries, Joint Ventures and Associate Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

As on the date of this Draft Red Herring Prospectus, our Company has one subsidiary:

1. **KAPS Mercantile Private Limited** ("**KMPL**")

Corporate Information

KMPL was incorporated as a private limited company on August 5, 2008 under the Companies Act, 1956.The registered office of KMPL is located at Unit No. J-3, Ground Floor, Tex Centre Pre. Coop Soc. Ltd, Chandivali Farm Road, Andheri (E), Mumbai - 400072. The CIN of KMPL is U51900MH2008PTC185469.

Nature of Business

KMPL is authorised under its memorandum of association to engage in the business of manufacturing, import-export and retailing of clothing apparel and hosiery garments for men, women and children. KMPL is currently not engaged in any business.

Capital Structure

The capital structure of KMPL as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	**Aggregate Nominal Value**
Authorised share capital	**(in ₹)**
2,150,000 equity shares of face value of ₹ 10 each	21,500,000
Issued, subscribed and paid up	**(in ₹)**
2,140,000 equity shares of face value of ₹ 10 each	21,400,000

Shareholding Pattern

The shareholding pattern of KMPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
1.	Credo Brands Marketing Limited	2,139,999	100.00
2.	Poonam Khushlani*	1	Negligible
Total		2,140,000	**100.00**

** as a nominee of our Company*

Common Pursuits

Our Subsidiary is authorized to carry out, or engage in business similar to that of our Company. Our Company will adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any conflict situations if they arise.

Except as disclosed in "*Restated Consolidated Financial Information - Note 39 - Related Party Transactions and Balances*" on page 246, there have been no related business transactions between our Company and our Subsidiary during the last three Fiscals.

Business interest between our Company and our Subsidiary

Except as stated in "*Our Business*" and "*Restated Consolidated Financial Information - Note 39 - Related Party Transactions and Balances*" on pages 146 and 246, respectively, our Subsidiary does not have any business interest in our Company.

Accumulated Profits or Losses

There are no accumulated profits or losses of our Subsidiary that are not accounted for by our Company in the Restated Consolidated Financial Information.

Shareholders' agreements and other Agreements

Share subscription agreement dated December 31, 2008 (the "BCCL SSA"), entered amongst Bennett Coleman &Co. Ltd. ("BCCL"), our Company, Kamal Khushlani, Poonam Khushlani and Kavita Khushlani, as amended by the amendment agreement to the BCCL SSA dated July 12, 2023 entered amongst BCCL, our Company, Kamal Khushlani and Poonam Khushlani (collectively referred to as the "Parties") ("BCCL Amendment Agreement")

Pursuant to the BCCL SSA, BCCL had subscribed to 300,000 equity shares of the Company ("***Subscription Shares***") on a preferential basis at a share price of ₹ 309.77 constituting around 9.72% of the then total issued and outstanding equity share capital of our Company, and aggregating to ₹ 92,931,000, which was the subscription amount.

The Subscription Shares were subject to lock-in for a period of three years from the date of subscription, i.e December 31, 2008, subject to certain exceptions. The SSA permits BCCL to transfer, sell or otherwise dispose the subscribed shares to any of its associates, affiliates/group companies in case of expiry of the applicable lock-in period. Further, the SSA, *inter alia*, stipulates certain pre-emptive rights to BCCL such as the right of first refusal, put option and tag along rights.

Pursuant to the BCCL Amendment Agreement, the Parties have amended and waived their respective rights under the SSA, including, among others, right of first refusal, put option and tag along rights. The BCCL Amendment Agreement shall stand terminated by the mutual written agreement of all Parties or in the event the listing and commencement of trading of Equity Shares pursuant to the Offer is not completed on or prior to the *'Long Stop Date'* which is 12 months from the date on which SEBI provides final observations to this Draft Red Herring Prospectus filed by our Company with SEBI, or such other extended date as may be mutually agreed to in writing amongst the Parties, or such other date at which the Board (including any committee constituted by the Board thereof) decide to abandon or cancel or discontinue the Offer, or withdraw this Draft Red Herring Prospectus, whichever is earlier.

Pursuant to the BCCL Amendment Agreement, BCCL has waived off its right (i) to obtain financial information of the Company on a continuous basis; (ii) receive intimation in relation to any fresh offerings made by the Company since the execution of the BCCL Amendment Agreement; and (iii) to provide information to third parties in relation to any deal being negotiated for the sale of equity shares held by BCCL. BCCL has also provided its written consent to the Company in the case that the latter proposes to sell, license, assign or part, in any way with its rights (inclusive of intellectual property rights) in any of the brands the Company currently owns or proposes to acquire in the future. The BCCL SSA shall be terminated upon the successful consummation of the Offer. The right of BCCL under the BCCL SSA to claim indemnity against the Company shall survive the termination of the BCCL SSA for the representations provided and actions taken by the Company prior to BCCL Amendment Agreement.

Share subscription agreement dated December 31, 2008 (the "Dharmayug SSA"), entered amongst Dharmayug Investments Limited ("Dharmayug"), our Company, Kamal Khushlani, Poonam Khushlani and Kavita Khushlani, as amended by the amendment agreement to the Dharmayug SSA dated July 12, 2023 entered amongst Dharmayug, our Company, Kamal Khushlani and Poonam Khushlani (collectively referred to as the "Parties") ("Dharmayug Amendment Agreement")

Pursuant to the Dharmayug SSA, Dharmayug had subscribed to 22,800 equity shares of the Company ("***Subscription Shares***") on a preferential basis at a share price of ₹ 309.77 constituting around 0.74% of the then total issued and outstanding equity share capital of our Company, and aggregating to ₹ 7,062,756, which was the subscription amount.

The Subscription Shares were subject to lock-in for a period of three years from the date of subscription, i.e December 31, 2008, subject to certain exceptions. The Dharmayug SSA permits Dharmayug to transfer, sell or otherwise dispose the subscribed shares to any of its associates, affiliates/group companies in case of expiry of the applicable lock-in period. Further, the Dharmayug SSA, *inter alia*, stipulates certain pre-emptive rights to Dharmayug such as the right of first refusal, put option and tag along rights.

Pursuant to the Dharmayug Amendment Agreement, the Parties have amended and waived their respective rights under the Dharmayug SSA, including, among others, right of first refusal, put option and tag along rights. The Dharmayug Amendment Agreement shall stand terminated by the mutual written agreement of all Parties or in the event the listing and commencement of trading of Equity Shares pursuant to the Offer is not completed on or prior to the *'Long Stop Date'* which is 12 months from the date on which SEBI provides final observations to this Draft Red Herring Prospectus filed by our Company with SEBI, or such other extended date as may be mutually agreed to in writing amongst the Parties, or such other date at which the Board (including any committee constituted by the Board thereof) decide to abandon or cancel or discontinue the Offer, or withdraw this Draft Red Herring Prospectus, whichever is earlier.

Pursuant to the Dharmayug Amendment Agreement, Dharmayug has waived off its right (i) to obtain financial information of the Company on a continuous basis; (ii) receive intimation in relation to any fresh offerings made by the Company since the execution of the Dharmayug Amendment Agreement; and (iii) to provide information to third parties in relation to any deal being negotiated for the sale of equity shares held by Dharmayug. Dharmayug has also provided its written consent to the Company in the case that the latter proposes to sell, license, assign or part, in any way with its rights (inclusive of intellectual property rights) in any of the brands the Company currently owns or proposes to acquire in the future. The Dharmayug SSA shall be terminated upon the successful consummation of the Offer. The right of Dharmayug under the Dharmayug SSA to claim indemnity against the Company shall survive the termination of the Dharmayug SSA for the representations provided and actions taken by the Company prior to Dharmayug Amendment Agreement.

Share purchase and shareholders agreement dated October 20, 2009 ("BETL SPA") entered amongst Brand Equity Treaties Limited ("BETL"), our Company and Kamal Khushlani, as amended by the amendment agreement to the BETL SPA dated July 12, 2023 ("BETL SPA Amendment Agreement") and share subscription agreement dated October 20, 2009, entered amongst Brand Equity Treaties Limited, the Company, Kamal Khushlani, Poonam Khushlani and Kavita Khushlani as amended by the Amendment Agreement to the BETL SSA dated July 12, 2023 ("BETL SSA Amendment Agreement")

Pursuant to the BETL SPA, Kamal Khushlani sold 76,590 equity shares at a price of ₹ 10.00 aggregating to ₹ 7,65,900 ("***Transaction Shares***") and pursuant to the BETL SSA, Company issued and allotted 29,809 equity shares at a price per share of ₹ 309.77, on a preferential basis, aggregating to ₹ 9,233,934 ("***Subscription Shares***").

The Transaction Shares and Subscription Shares were subject to lock-in for a period of three years from the date of the agreement, i.e. October 20, 2009, subject to certain exceptions. The BETL SPA and BETL SSA permits BETL to transfer, sell or otherwise dispose the subscribed shares to any of its associates, affiliates/group companies in case of expiry of the applicable lock-in period. Further, the BETL SPA and BETL SSA, *inter alia*, stipulates certain pre-emptive rights to BETL such as the right of first refusal, put option and tag along rights.

Subsequently, BCCL and BETL entered into a scheme of merger by absorption of BETL with BCCL and their respective shareholders ("**Scheme**") which was approved by National Company Law Tribunal, Mumbai Bench vide order dated August 12, 2020 read with order dated September 7, 2020 pursuant to which 106,399 equity shares having face value of ₹ 10 each of the Company held by BETL, including the rights, title, interest or obligations therein were transferred to and vested in BCCL ("**Vested Shares")** as on the appointed date as defined under the Scheme. From the date of the Scheme coming into effect, the Vested Shares have been transferred to BCCL.

Pursuant to the BETL SPA Amendment Agreement and the BETL SSA Amendment Agreement, the parties to the respective agreements have amended and waived their respective rights under the BETL SPA and BETL SSA, including, among others, right of first refusal, put option and tag along rights. The BETL SPA Amendment Agreement and the BETL SSA Amendment Agreement shall stand terminated by the mutual written agreement of all parties to the respective agreements or in the event the listing and commencement of trading of Equity Shares pursuant to the Offer is not completed on or prior to the *'Long Stop Date'* which is 12 months from the date on which SEBI provides final observations to this Draft Red Herring Prospectus filed by our Company with SEBI, or such other extended date as may be mutually agreed to in writing amongst the parties to the respective agreements, or such other date at which the Board (including any committee constituted by the Board thereof) decides to abandon or cancel or discontinue the Offer, or withdraw this Draft Red Herring Prospectus, whichever is earlier.

Pursuant to the BETL SPA Amendment Agreement and the BETL SSA Amendment Agreement, BCCL has waived off its right (i) to obtain financial information of the Company on a continuous basis; (ii) receive intimation in relation to any fresh offerings made by the Company since the execution of the Amendment Agreement; and (iii) to provide information to third parties in relation to any deal being negotiated for the sale of equity shares held by BCCL. BCCL has also provided its written consent to the Company in the case that the latter proposes to sell, license, assign or part, in any way with its rights (inclusive of intellectual property rights) in any of the brands the Company currently owns or proposes to acquire in the future. The BETL SPA and BETL SSA shall be terminated upon the successful consummation of the Offer. The right of BCCL under the BETL SPA and BETL SSA to claim indemnity against the Company shall survive the termination of the BETL SPA and BETL SSA for the representations provided and actions taken by the Company prior to BETL SPA Amendment Agreement and the BETL SSA Amendment Agreement.

Other agreements

Except as disclosed below and as under *"- Shareholders' Agreements and Other Agreements"* on page 173, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

Other than as disclosed above in this section, our Company, our Promoters and the Shareholders are not a party to any other agreements, including any deed of assignment, acquisition agreement, shareholders' agreement, *inter se* agreement/ arrangement or agreements of like nature, with respect to securities of our Company.

Further, we confirm there are no other agreements and clauses or covenants which our Company, our Promoters, the members of the Promoter Group or the Shareholders are a party to, in relation to securities of our Company, which are material and need to be disclosed and that there are no other clauses / covenants which are adverse or pre-judicial to the interest of the minority / public Shareholders.

OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors on the Board of Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises six Directors of which there are two Executive Directors, four Non- Executive Directors of which three are Independent Directors including one woman Independent Director.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

S. No.	Name, designation, address occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
1.	Kamal Khushlani ***Designation***: Chairman and Managing Director ***Address:*** Flat no. 111/121, Narain Terraces, Union Park Road, Bandra West, Mumbai - 400050 ***Occupation:*** Business ***Date of birth:*** September 25, 1966 ***Nationality:*** Indian ***Period and term:*** He has been a Director since incorporation. His current tenure is for a period of five years commencing from March 8, 2022 until March 7, 2027. He is liable to retire by rotation. ***DIN:*** 00638929	56	**Indian companies:** • KAPS Mercantile Private Limited **Foreign companies:** Nil
2.	Poonam Khushlani ***Designation***: Whole-time Director ***Address:*** Flat no. 111/121, Narain Terraces, Union Park Road, Bandra West, Mumbai - 400050 ***Occupation:*** Business ***Date of birth:*** August 10, 1967 ***Nationality:*** Indian ***Period and term:*** She has been a Director since incorporation. Her current tenure is for a period of 5 years commencing from May 9, 2023. She is liable to retire by rotation. ***DIN:*** 01179171	55	**Indian companies:** • KAPS Mercantile Private Limited **Foreign companies:** Nil
3.	Dr. Manoj Nakra ***Designation***: Non– Executive Director ***Address:*** W5 A20 Mandiram Puttaparthi, Prasanthinilayam, Ananthapur, Andhra Pradesh – 515 134. ***Occupation:*** Entrepreneur ***Date of birth:*** February 17, 1956 ***Nationality:*** Indian ***Period and term:*** He was appointed on May 9, 2023. He is liable to retire by rotation. ***DIN:*** 08566768	67	**Indian Companies:** • Arvind Fashions Limited • SCIP Services and Solutions Private Limited **Foreign Companies** NIL
4.	Amer Jaleel	57	**Indian Companies:**

S. No.	Name, designation, address occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
	Designation: Independent Director ***Address:*** 1102, Serenity Towers 2nd Hasnabad Lane, Near Khar Subway, Santacruz West, Andheri Mumbai Suburban, Mumbai, 400054, Maharashtra, India ***Occupation****:* Business ***Date of birth****:* May 4, 1966 ***Nationality****:* Indian ***Period and term****:* Appointed for a period of 5 years with effect from November 5, 2020. He is not liable to retire by rotation. ***DIN:*** 03194596		Pitchverse Platforms Private Limited **Foreign Companies:** Nil
5.	Paresh Bambolkar ***Designation***: Independent Director ***Address****:* 2103/5, Raheja Classique, Link Road Oshiwara, Near Infinity Mall, Andheri West, Mumbai 400 061. ***Occupation****:* Service ***Date of birth****:* October 8, 1964 ***Nationality****:* Indian ***Period and term****:* His current tenure is for a period of 5 years commencing from May 9, 2023 until May 8, 2028 and he is not liable to retire by rotation. ***DIN:*** 00260136	58	**Indian Companies:** • Desire 4 India Private Limited **Foreign Companies:** NIL
6.	Ramona Jogeshwar ***Designation***: Independent Director ***Address:*** Flat no. 602-A, Benston, S. Rajan Road, Off Carter Road, Bandra West, Mumbai – 400050. ***Occupation****:* Business ***Date of birth****:* November 25, 1971 ***Nationality****:* Indian ***Period and term****:* Her current tenure is for a period of 5 years commencing from May 9, 2023 until May 8, 2028 and she is not liable to retire by rotation. ***DIN:*** 10100012	51	**Indian Companies:** Nil **Foreign Companies:** Nil

Relationship between our Directors

Except for Kamal Khushlani who is the spouse of Poonam Khushlani, none of our Directors are related to each other.

Brief Biographies of Directors

Kamal Khushlani

Kamal Khushlani is the Promoter, Chairman and Managing Director of our Company. He has completed his degree in bachelor of commerce from the University of Bombay. He has been associated with the Company since its incorporation and has over 25 years of experience in the field of apparel retail. Kamal Khushlani is currently involved in product development, brand building, marketing and overall management while providing strategic direction to our Company.

Poonam Khushlani

Poonam Khushlani is the Promoter and Whole-Time Director of our Company. She does not hold any formal educational qualification. Poonam Khushlani has been associated with the Company since its incorporation and is a co-founder of our Company. She has over 25 years of experience in the field of apparel retail. Poonam Khushlani is currently responsible for the overall management of our Company.

Dr. Manoj Nakra

Dr. Manoj Nakra is a Non-Executive Director of the Company. He has completed his undergraduate degree in mechanical engineering from the Indian Institute of Technology, Delhi followed by a post graduate diploma in management from the Indian Institute of Management, Bangalore. He has also obtained his degree of Executive Doctor of Management from Case Western Reserve University. He is a co-founder of SCIP Services and Solutions Private Limited, a SaaS platform company. He has been associated with Apparel Group, UAE as Director, Strategy. His expertise and experience include retail and distribution, entrepreneurship, and technology application. He is also a visiting faculty at IIM Bangalore. He is also an independent director in Arvind Fashions Limited.

Amer Jaleel

Amer Jaleel is the Independent Director of our Company. He has completed his bachelor of commerce degree, with a specialization in financial accounting and auditing, from Smt. Mithibai Motiram Kundnani College of Commerce and Economics, University of Bombay. He joined Lowe Lintas in 2002 and has held multiple creative leadership positions including Chief Creative Officer. During his stint, he has handled assignments for multiple prominent brands. He was named as Group Chairman and Chief Creative Officer of MullenLowe Lintas Group. Amer is a prominent voice in the Indian corporate world, appearing and speaking at various media and association forums.

Paresh Bambolkar

Paresh Bambolkar is an Independent Director of the Company. He is a fellow member at the Institute of Chartered Accountants of India. He was a proprietor of M/s. P V Bambolkar & Co. Chartered Accountants, from 1993 to March, 2019 and is currently also a director at Desire 4 India Private Limited.

Ramona Jogeshwar

Ramona Jogeshwar is an Independent Director of the Company. She has completed her masters degree in Management Studies from Somaiya Institute of Management Studies and Research, University of Mumbai. She was previously associated with Kangaroo Kids Education Limited. She is also a partner at M/s Konark Engineers.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person, either to induce them to become, or to help such Director to qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

Terms of appointment of Directors

1. Remuneration to our Executive Directors:

Kamal Khushlani

Kamal Khushlani has been a Director of our Company since incorporation. He was appointed as the Chairman and Managing Director of the Board of Directors of our Company pursuant to the board resolution dated March 8, 2022 and shareholders resolution dated March 29, 2022. His appointment and remuneration payable to him was ratified and revised pursuant to the Board resolution dated May 9, 2023 and Shareholders' resolution dated July 4, 2023. The revised terms of his re-appointment as stated in the Board resolution dated May 9, 2023 and Shareholders' resolution dated July 4, 2023 is as follows:

Annual Incentive	In addition to the overall ceiling of total remuneration during his tenure, which is to be within the scale of ₹ 1.70 crores to ₹ 2.50 crores per annum (inclusive of basic salary and taxable perquisites and other allowance but excluding perquisites exempted under the IT Act), performance linked annual incentive would be paid at 2% of profit before tax of each financial year
Perquisites	i. Subject to the overall ceiling of total remuneration during her tenure, which is to be within the scale of ₹ 1.70 crores to ₹ 2.50 crores per annum (inclusive of basic salary and taxable perquisites and other allowance but excluding perquisites exempted under the IT Act), the Managing Director shall have liberty to opt for such other allowances, perquisites and incentive as he deems fit including house rent allowance, medical reimbursement, leave travel concession for self and family, club fees, use of Company cars and such other allowances, benefits, amenities and facilities, etc., as per the Company's Rules or as may be agreed to between the Board of Directors and the Managing Director. ii. The Managing Director will also be a member of the group medical / health insurance and personal accident insurance policies of the Company. iii. In addition to the perquisites referred above, he will also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration- • Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961; • Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; • Encashment of leave at the end of the tenure; and Reimbursement of expenses incurred for the business of the Company.

Poonam Khushlani

Poonam Khushlani has been a Director of our Company since incorporation. She was appointed as a Whole-time Director of our Company pursuant to the Board resolution dated May 9, 2023. The terms of her appointment as stated in the Board resolution dated May 9, 2023 and shareholders' resolution dated July 4, 2023 is as follows:

Perquisites	i. Subject to the overall ceiling of total remuneration during her tenure, which is to be within the scale of ₹ 0.50 crores to ₹ 0.85 crores per annum (inclusive of basic salary and taxable perquisites and other allowance but excluding perquisites exempted under the IT Act), the Whole-time Director shall have the liberty to opt for such other allowances, perquisites and incentive as she deems fit including house rent allowance, leave travel concession for self and family, use of Company cars and such other allowances, benefits, amenities and facilities, etc., as per the Company's Rules or as may be agreed to between the Board of Directors and the Whole-time Director. ii. The Whole-time Director will also be a member of the group medical / health insurance and personal accident insurance policies of the Company. iii. In addition to the perquisites referred above, she will also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration- • Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961; • Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;

	• Encashment of leave at the end of the tenure; and • Reimbursement of expenses incurred for the business of the Company.

Remuneration to Non- Executive Directors and Independent Directors:

Pursuant to resolution passed by our Board on November 3, 2020 and May 9, 2023, our Non- Executive Directors (including Independent Directors) are each entitled to receive a sitting fee of ₹ 0.05 million for each meeting of our Board of Directors and ₹ 0.02 million for each meeting of any committees thereof.

Remuneration paid to the Directors in Fiscal 2023

The remuneration that was paid to our Directors in Fiscal 2023 is as follows:

1. **Executive Directors**

(in ₹ million)

Name	Designation	Remuneration
Kamal Khushlani	Chairman and Managing Director	36.63
Poonam Khushlani	Whole-time Director	5.07

2. **Non-Executive Directors**

(in ₹ million)

Name	Designation	Sitting Fee
Dr. Manoj Nakra*	Non– Executive Director	NA

** Appointed on May 9, 2023. Accordingly, no remuneration was paid for the Fiscal 2023*

3. **Independent Directors**

(in ₹ million)

Name	Designation	Sitting Fee
Amer Jaleel	Independent Director	0.20
Paresh Bambolkar*	Independent Director	NA
Ramona Jogeshwar*	Independent Director	NA

** Appointed on May 9, 2023. Accordingly, no remuneration was paid for the Fiscal 2023*

Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company does not have an arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board or as a member of the senior management.

Remuneration paid or payable to our Directors by our Subsidiary

None of our directors have received or were entitled to receive any remuneration, sitting fees or commission from our Subsidiary for Financial Year 2023.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, as on date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares in our Company.

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital on a fully diluted basis (%)	Percentage of the post-Offer of Equity Share Capital on a fully diluted basis (%)
1.	Kamal Khushlani	22,260,420	33.84%	27.55%
2.	Poonam Khushlani	18,164,380	27.62%	21.12%
	Total	**40,424,800**	**61.46%**	**48.67%**

Appointment of relatives of our Directors to any office or place of profit

Except as disclosed below, none of the relatives of our Directors have been appointed to any office or place of profit with the Company:

Sr. No.	Name of Relative	Relationship with Director	Status in the Company
1.	Andrew Khushlani	Son of Kamal Khushlani and Poonam Khushlani	Employee of the Company
2.	Sonakshi Khushlani	Daughter of Kamal Khushlani and Poonam Khushlani	

Bonus or profit-sharing plan of the Directors

Except as stated in the "*Our Management – Terms of appointment of Directors –*" on page 178, our Company does not have any bonus or profit-sharing plan for our Directors.

Interests of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or committees thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company or our subsidiary.

Except as stated in "*Restated Consolidated Financial Information - Note 39 - Related Party Transactions and Balances*" on page 246, and as disclosed in this section, our Directors do not have any other interest in our business.

Our Directors may also be regarded as interested in the Equity Shares held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Other than Kamal Khushlani and Poonam Khushlani, who are the Promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company, as on the date of this Draft Red Herring Prospectus.

Except to the extent of the sale of Equity Shares in the Offer for Sale by the Promoter Selling Shareholders, who are also Directors of our Company, there is no material existing or anticipated transaction whereby Directors will receive any portion of the proceeds from the Offer.

None of our Directors have any interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of stores or supply of materials.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Except as disclosed below, and other than to the extent of remuneration paid to our Directors to which they are entitled as per their terms of appointment, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors:

a. In Fiscals 2023, 2022 and 2021, Dr. Manoj Nakra, has provided professional advisory services to our Company, through his proprietary firm, M/s. SmartGlobal Solutions and Services, for a fee of ₹ 3.12 million, ₹ 2.16 million and ₹ 1.98 million, respectively;
b. In Fiscals 2023 and 2022, Desire 4 India Private Limited, a company in which Paresh Bambolkar is a shareholder and director, has provided services and professional advice to our Company for a fee of ₹ 0.30 million per annum. Further, in Fiscal 2021, Paresh Bambolkar has provided professional advisory services to our Company, through his proprietary firm, P. V. Bambolkar & Co., for a fee of ₹ 0.30 million.

No loans have been availed by our Directors from our Company, as on the date of this Draft Red Herring Prospectus.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/Cessation	Reason
Ramona Jogeshwar	May 9, 2023	Appointed as Independent Director (Additional)*
Poonam Khushlani	May 9, 2023	Change in designation and appointment as Whole-time Director
Dr. Manoj Nakra	May 9, 2023	Appointed as Non-Executive Director(Additional)*
Paresh Bambolkar	May 9, 2023	Appointed as Independent Director (Additional)*
Kamal Khushlani	March 8, 2022	Change in designation and appointment as Chairman and Managing Director
Amer Jaleel	November 5, 2020	Appointed as Independent Director

**Regularised pursuant to the resolution passed by the Shareholders on July 4, 2023.*

Borrowing Powers of Board

Pursuant to our Articles of Association, and in accordance with the provisions of the Companies Act and the rules made thereunder, our Board is authorised to borrow money and create charge and/ or pledge, mortgage, hypothecate on its properties, which together with the money already borrowed does not exceed aggregate of the paid-up share capital, free reserves and securities premium of our Company, apart from temporary loans obtained from our Company's bankers in the ordinary course of business.

Corporate Governance

The corporate governance provisions of the Companies Act 2013 along with the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the BSE and NSE. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and the guidelines issued thereunder from time to time. Our Board comprises six Directors of which there are two Executive Directors, four Non-Executive Directors of which three are Independent Directors. Our Board comprises two women Directors including one woman independent director.

Committees of the Board

Our Company has constituted the following committees of our Board in terms of the SEBI Listing Regulations and the Companies Act:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders' Relationship Committee;

(d) Corporate Social Responsibility Committee; and

(e) Risk Management Committee.

Audit Committee

Composition of the committee:

Sr. No.	Name	Designation in the Audit Committee	Designation on the Board of the Company
1.	Paresh Bambolkar	Chairman	Independent Director
2.	Amer Jaleel	Member	Independent Director
3.	Dr. Manoj Nakra	Member	Non-Executive Director

The Audit Committee was constituted by the meeting of the Board held on May 9, 2023. The scope and functions of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The terms of reference of the Audit Committee include:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;
(2) to seek information from any employee;
(3) to obtain outside legal or other professional advice;
(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
(5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
(2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;
(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
(6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions; and
    g. Modified opinion(s) in the draft audit report.
(7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
(8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
(9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
(10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

    Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
(11) scrutiny of inter-corporate loans and investments;
(12) valuation of undertakings or assets of the Company, wherever it is necessary;
(13) evaluation of internal financial controls and risk management systems;
(14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
(15) 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;
(16) discussion with internal auditors of any significant findings and follow up there on;
(17) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
(18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
(19) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
(20) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
(21) reviewing the functioning of the whistle blower mechanism;
(22) monitoring the end use of funds raised through public offers and related matters;
(23) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(24) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(25) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

(26) reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;

(27) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

(28) To carry out such other functions as may be specified by the Board of Directors from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations or by any other regulatory authority.

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations;
b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
d) Internal audit reports relating to internal control weaknesses;
e) The appointment, removal and terms of remuneration of the chief internal auditor;
f) review the financial statements, in particular, the investments made by any unlisted subsidiary;
g) Statement of deviations in terms of the SEBI Listing Regulations:
   (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
   (ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

Composition of the committee:

Sr. No.	Name	Designation in the Nomination and Remuneration Committee	Designation on the Board of the Company
1.	Amer Jaleel	Chairman	Independent Director
2.	Dr. Manoj Nakra	Member	Non-Executive Director
3.	Ramona Jogeshwar	Member	Independent Director

The Nomination and Remuneration Committee was constituted by the meeting of the Board held on May 9, 2023. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").
The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
   (i) for appointment of an independent director, it 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.
   (ii) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
   (iii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iv) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(2) Formulation of criteria for evaluation of independent directors and the Board;
(3) Devising a policy on diversity of the Board;
(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
(5) Analysing, monitoring and reviewing various human resource and compensation matters;
(6) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
(7) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
(8) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
(9) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

Explanation: The expression senior management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.

(10) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
(11) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
(12) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
    (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
    (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
(13) 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:
    1. use the services of an external agencies, if required;
    2. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    3. consider the time commitments of the candidates.
(14) Carrying out such other functions as may be specified by the Board of Directors from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations or by any other regulatory authority.

Stakeholders' Relationship Committee

Composition of the committee:

Sr. No.	Name	Designation in the Stakeholders' Relationship Committee	Designation on the Board of the Company
1.	Dr. Manoj Nakra	Chairman	Non-Executive Director
2.	Paresh Bambolkar	Member	Independent Director
3.	Poonam Khushlani	Member	Whole-time Director

The Stakeholders' Relationship Committee was constituted by the meeting of the Board held on May 9, 2023. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

(1) To specifically look into various aspects of interests of shareholders, debentures holders and other security holders;
(2) Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer /

transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

(3) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(4) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(5) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(6) Reviewing of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services of the Company and to recommend measures for overall improvement in the quality of investor services

(7) Reviewing 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; and

(8) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

Corporate Social Responsibility Committee

Composition of the committee:

Sr. No.	Name	Designation in the Corporate Social Responsibility Committee	Designation on the Board of the Company
1.	Kamal Khushlani	Chairman	Chairman and Managing Director
2.	Ramona Jogeshwar	Member	Independent Director
3.	Poonam Khushlani	Member	Whole-time Director

The Corporate Social Responsibility Committee was first constituted by the meeting of the Board held on September 14, 2014 and last reconstituted by the meeting of the Board held on May 9, 2023. The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The terms of reference of the Corporate Social Responsibility Committee include the following:

(i) formulate the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended;

(ii) recommend the amount of expenditure to be incurred on the activities referred to in (i) above;

(iii) monitor the implementation of the Corporate Social Responsibility Policy from time to time, and make any revisions therein as and when decided by the Board;

(iv) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(v) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

(vi) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(vii) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(viii) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and

(ix) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable laws.

Risk Management Committee

Composition of the committee:

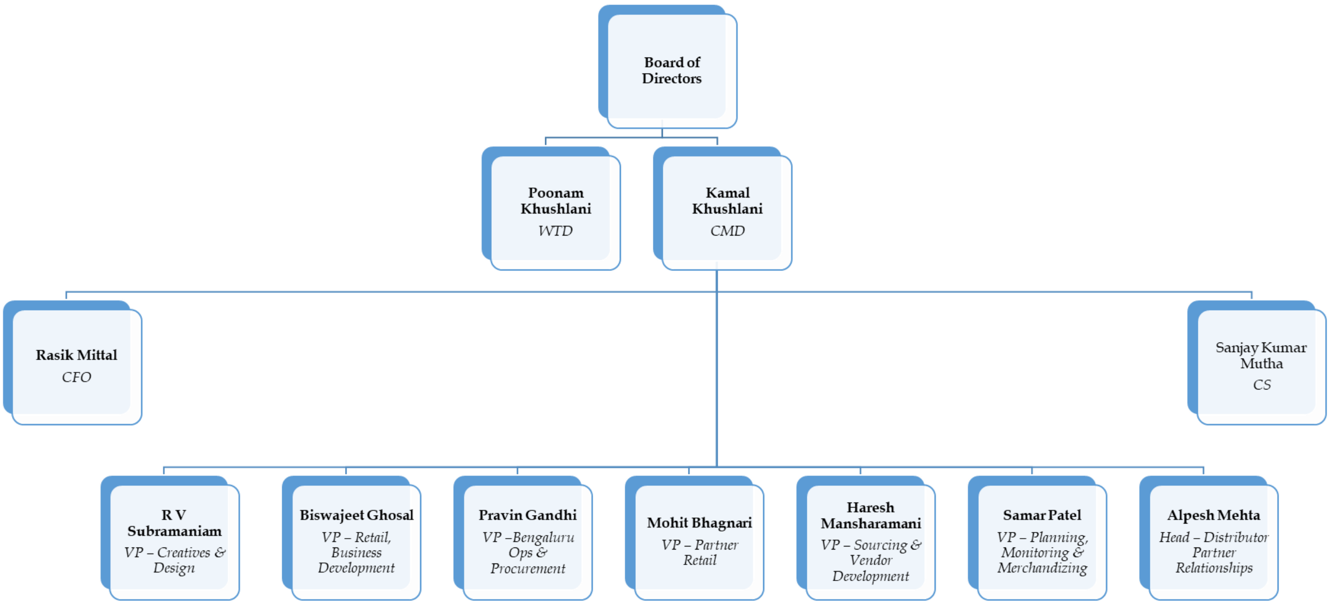
Sr. No.	Name	Designation in the Risk Management Committee	Designation on the Board of the Company
1.	Kamal Khushlani	Chairman	Chairman and Managing Director
2.	Amer Jaleel	Member	Independent Director
3.	Rasik Mittal	Member	Chief Financial Officer

The Risk Management Committee was constituted by the meeting of the Board held on May 9, 2023. The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations.

The terms of reference of the Risk Management Committee include the following:

1. To formulate a detailed risk management policy which shall include:
    1. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    2. Measures for risk mitigation including systems and processes for internal control of identified risks.
    3. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
8. To review and recommend potential risk involved in any new business plans and processes;
9. To review the Company’s risk-reward performance to align with the Company’s overall policy objectives;
10. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
11. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy;
12. Coordination of activities with other committee, in instances where there is any overlap with the activities of such committees as per the framework laid down by the Board of Directors;
13. Seeking information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary; and
14. To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations or by any other regulatory authority.

MANAGEMENT ORGANISATION CHART



Key Managerial Personnel and Senior Managerial Personnel

In addition to our Chairman and Managing Director, Kamal Khushlani and Whole Time Director, Poonam Khushlani whose details are provided in "*Our Management – Brief Biographies of Directors*" on page 177, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Brief Profiles of our Key Managerial Personnel:

1. Rasik Mittal

Rasik Mittal, aged 58 years, is the Chief Financial Officer of our Company. He has completed his degree in bachelor of commerce from Smt. Mithibai Motiram Kundnani College of Commerce and Economics, University of Bombay. He is a fellow member of the Institute of Chartered Accountants of India. He was proprietor of M/s. Rasik A Mittal & Co., Chartered Accountants from November 29, 1989 till March 31, 2019. He possesses prior experience in the field of auditing, taxation, finance, legal, corporate strategy and other commercial functions. He has been associated with the Company since April 1, 2019. He was paid an amount of ₹ 10.03 million in the previous fiscal.

2. Sanjay Kumar Mutha

Sanjay Kumar Mutha, aged 47 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in science from Govt. College, Rampura, Vikram University, Ujjain. He is an associate member of the Institute of Company Secretaries of India. Sanjay has prior experience in secretarial and corporate governance functions. He previously worked with Mather & Platt Pumps Ltd., Mahindra and Mahindra Limited, CMI FPE Limited and Future Lifestyle Fashions Limited. He has been associated with the Company since January 16, 2023 and heads corporate secretarial functions at the Company. He was paid an amount of ₹ 0.72 million in the previous fiscal.

Senior Managerial Personnel

In addition to Rasik Mittal, who is our Chief Financial Officer and Sanjay Kumar Mutha, who is our Company Secretary and Compliance Officer whose details are set out above, the details of personnel forming part of our Senior Management in terms of the SEBI ICDR Regulations as of the date of this Draft Red Herring Prospectus, are set out below:

1. Biswajeet Ghosal – Vice President, Retail and Business Development
2. Pravin Gandhi – Vice President, Bengaluru operations and procurement
3. Mohit Bhagnari – Vice President, Partner Retail
4. Haresh Mansharamani – Vice President, Sourcing and Vendor Development
5. Samar Patel – Vice President, Planning, Monitoring and Merchandising

6. Alpesh Mehta – Head, Distributor Partner Relationships
7. R. V. Subramaniam – Vice President, Creatives and Design

Brief Profiles of our Senior Managerial Personnel:

1. Biswajeet Ghosal – Vice President, Retail and Business Development

Biswajeet Ghosal, aged 53 years is the Vice President of retail and business development of our Company. He has passed his fourth term examination in his course on master's degree in management studies from the University of Mumbai. He has been associated with the Company since December 2019 and is responsible for Exclusive Brand Outlets. He has prior experience in working with various industries including textiles, telecom, airport retail and fashion. Prior to joining our Company, he was associated with organizations like The Arvind Mills Ltd, Levi Strauss (India) Pvt. Ltd., Red Bottle Telecommunication Consultancy Private Limited, Shoppers Stop Limited. He was paid an amount of ₹ 4.84 million in the previous fiscal.

2. Pravin Gandhi – Vice President, Bengaluru operations and procurement

Pravin Gandhi, aged 45 years is the Vice President of our Company's operations and procurement in Bengaluru. He holds a bachelor's degree in engineering (computer branch) from Amrutwahini College of Engineering, Sangamner, University of Pune. He has been associated with the Company since year 2010 and is responsible for overlooking the procurement and supply chain of the Company. Prior to joining our Company, he was associated with Seven Seas Marine Services (Bahrain). He has prior experience in the field of supply chain. He was paid an amount of ₹ 5.90 million in the previous fiscal.

3. Mohit Bhagnari – Vice President, Partner Retail

Mohit Bhagnari, aged 49 years is the Vice President - Partner Retail of our Company. He holds a bachelor's degree in commerce from Jai Hind College, University of Mumbai. He has been associated with the Company since year 2012 and is responsible for sales and business development through MBOs (Distribution) and Large Format Store channels. Prior to joining our Company, he was a partner at a retail store by the name of 'M/s Casuals Boutique'. He has prior experience in the field of fashion retail. He was paid an amount of ₹ 5.64 million in the previous fiscal.

4. Haresh Mansharamani – Vice President, Sourcing and Vendor Development

Haresh Mansharamani, aged 58 years is the Vice President of sourcing & vendor development in our Company. He holds bachelors' degree in commerce from the University of Mumbai. He has been associated with the Company since 2011 and is responsible for sourcing and vendor Development. Prior to joining the Company, he was running his own garment manufacturing unit in partnership by the name of P J Creation. He has prior experience in manufacturing & sourcing of ready-made garments. He was paid an amount of ₹ 5.91 million in the previous fiscal.

5. Samar Patel – Vice President, Planning, Monitoring and Merchandising

Samar Patel, aged 39 years is the Vice President of planning & monitoring and merchandising of our Company. He holds a master's degree in management studies from Chetana's Ramprasad Khandelwal Institute of Management and Research, University of Mumbai. He has been associated with the Company since year 2008 and is responsible for planning & monitoring processes and merchandising. Prior to joining our Company, he was associated with ICICI Prudential. He was paid an amount of ₹ 4.49 million in the previous fiscal.

6. Alpesh Mehta – Head, Distributor Partner Relationship

Alpesh Mehta, aged 49 years is the head of Distributor Partner Relationship of our Company. He holds a bachelor's degree in commerce from Sahjanand Arts & Commerce College, Gujarat University. Since 2020, he is responsible for development and strengthening relationships with distributors and dealers of the Company across India. He is a proprietor of M/s. Glorious Collection, which is a distributor of Mufti brand products in the State of Gujarat, since 1999. He was paid an amount of ₹ 2.52 million in the previous fiscal.

7. R. V. Subramaniam – Vice President, Creatives and Design

R. V. Subramaniam, aged 44 years is the Vice President of the creatives and design team of our Company. He holds a graduate professional diploma in fashion design from National Institute of Fashion Technology. He has been associated with the Company since year 2019 and is responsible for overlooking the creative and design team. Prior to joining our Company, he was associated with Raghavendra Rathore, Aditya Birla Nuvo Limited and Aditya Birla Fashion & Retail

Limited. He has prior experience in the field of fashion design. He was paid an amount of ₹ 6.16 million in the previous fiscal.

Shareholding of Key Managerial Personnel and Senior Managerial Personnel

The table below sets forth the details of Equity Shares that are held by Key Managerial Personnel and Senior Managerial Personnel as on the date of this DRHP:

S. No.	Name	Number of Equity Shares	Vested Options as on the date of this DRHP	Granted Options (including Vested Options and excluding Options Exercised)	Pre-Offer Equity Share Capital on a fully diluted basis(%)*	Post-Offer Equity Share Capital on a fully diluted basis (%)
Key Managerial Personnel and Senior Managerial Personnel						
1.	Rasik Mittal	150,220	574,580	957,640	0.23%	0.23%
Senior Managerial Personnel						
1.	R.V. Subramaniam	Nil	103,560	207,120	-	-
2.	Biswajeet Ghosal	Nil	30,000	120,000	-	-
3.	Pravin Gandhi	87,120	60,000	120,000	0.13%	0.13%
4.	Mohit Bhagnari	87,120	60,000	120,000	0.13%	0.13%
5.	Haresh Mansharamani	87,120	60,000	120,000	0.13%	0.13%
6.	Samar Patel	49,560	78,780	157,560	0.08%	0.08%
7.	Alpesh Mehta	Nil	383,040	638,400	-	-

** Includes Equity Shares to be allotted pursuant to exercise of any of the 1,469,960 options vested under ESOP Scheme 2020, as applicable.*

Bonus or Profit Sharing Plans of the Key Managerial Personnel and Senior Managerial Personnel

Except as stated in the "*Our Management - Terms of appointment of Directors*" on page 178, none of our Key Managerial Personnel and Senior Managerial Personnel are party to any bonus or profit-sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel and Senior Managerial Personnel.

Status of Key Managerial Personnel and Senior Managerial Personnel

All our Key Managerial Personnel and Senior Managerial Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel and Senior Managerial Personnel

Our Key Managerial Personnel and Senior Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel and Senior Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in the Company, if any. Further, the Key Managerial Personnel and Senior Managerial Personnel may also be interested to the extent of the ESOPs issued to them under the ESOP Scheme 2020.

Other than Kamal Khushlani and Poonam Khushlani, who are the Promoters of our Company, none of our Key Managerial Personnel and Senior Managerial Personnel, have interest in the promotion or formation of our Company. For details of interest of Directors in our Company, see "*- Interests of Directors*" and "*Our Promoter and Promoter Group - Interests of Promoters*" on pages 181 and 192, respectively.

None of the Key Managerial Personnel and Senior Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and Senior Managerial Personnel was selected as member of senior management.

In addition to the above, an immediate relative of one of our KMP and SMP, namely Rasik Mittal, and a partnership firm of the immediate relative of one of our SMP, namely Mohit Bhagnari, have respectively entered into franchisee agreements with our Company to operate certain of our stores on a franchisee basis. Further, Alpesh Mehta is a proprietor of M/s. Glorious

Collection, which is a distributor of Mufti brand products in the state of Gujarat, since 1999. Rasik Mittal, Mohit Bhagnari and Alpesh Mehta may be deemed to have interest in our Company to such extent.

Relationship between our Key Managerial Personnel, Senior Managerial Personnel and Directors

Except as disclosed in "- *Relationship among our Directors*" on page 177, none of our Key Managerial Personnel or Senior Management are related to each other or to our Directors.

Changes in the Key Managerial Personnel and Senior Managerial Personnel

Except as disclosed below, there have been no changes in the Key Managerial Personnel and Senior Managerial Personnel in the last three years.

Name	Date of change/appointment	Reason for change/appointment*
Sanjay Kumar Mutha	June 26, 2023	Appointed as Compliance Officer of the Company
Rasik Mittal	April 7, 2023	Appointed as the Chief Financial Officer (Key Managerial Personnel) under the Companies Act.
Sanjay Kumar Mutha	April 7, 2023	Appointed as the Company Secretary (Key Managerial Personnel) under the Companies Act
Sanjay Kumar Mutha	January 16, 2023	Appointed as the company secretary

**Redesignation not included*

Our Company does not have a high attrition rate of Key Managerial Personnel and Senior Managerial Personnel as compared to the industry.

Service Contracts with Directors and Key Managerial Personnel and Senior Managerial Personnel

Other than statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Managerial Personnel and Senior Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

None of our Key Managerial Personnel and Senior Managerial Personnel have entered into a service contract with our Company pursuant to which their remuneration has been fixed.

None of our Directors have entered into a service contract with our Company pursuant to which they have been appointed as a director of our Company or their remuneration has been fixed in the preceding two years. For further details see "*–Remuneration to our Executive Directors*" on page 178.

Contingent and deferred compensation payable to our Directors, Key Managerial Personnel and Senior Managerial Personnel

There is no contingent or deferred compensation payable to our Directors, Key Managerial Personnel and Senior Managerial Personnel which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel and Senior Managerial Personnel

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel and Senior Managerial Personnel within the two preceding years or is intended to be paid or given.

Employees Stock Options

Our Company has issued ESOPs under the employee stock option scheme adopted *vide* board resolution dated November 2, 2020 read with board resolution dated November 6, 2020 and amended vide the board resolution dated May 9, 2023 and Shareholders' resolution dated July 4, 2023. For details of the ESOPs issued by our Company, see "*Capital Structure*" on page 76.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Kamal Khushlani and Poonam Khushlani. As on the date of this Draft Red Herring Prospectus, our Promoters hold 40,424,800 Equity Shares, aggregating to 61.46% of the pre-Offer, issued, subscribed and paid-up Equity Share capital (on a fully diluted basis) of our Company. For details of the build-up of the Promoter's shareholding in our Company, see "*Capital Structure*" on page 84.

Details of our Promoters

Kamal Khushlani

Kamal Khushlani, is the Promoter, Chairman and Managing Director of our Company. He resides at Flat no. 111/121, Narain Terraces, Union Park Road, Bandra West, Mumbai - 400050. For further details in relation to his educational qualifications, experience in the business, directorships held, special achievements, his business and financial activities see "*Our Management – Brief Biographies of Directors*" on page 177.

His PAN number is AGZPK2918G.

Our Company confirms that his PAN, bank account number(s), Aadhar card number, driving license number and passport number shall be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them.

Poonam Khushlani

Poonam Khushlani, is the Promoter and Whole-time Director of our Company. She resides at Flat no. 111/121, Narain Terraces, Union Park Road, Bandra West, Mumbai - 400050. For further details in relation to her educational qualifications, experience in the business, directorships held, special achievements, her business and financial activities see "*Our Management – Brief Biographies of Directors*" on page 177.

Her PAN number is AGRPK4749H.

Our Company confirms that her PAN, bank account number(s), Aadhar card number, driving license number and passport number shall be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them.

Other ventures of our Promoters

Other than as disclosed in "- *Our Promoter Group*" and "*Our Management*" on pages 193 and 176, respectively, our Promoters are not involved in any other ventures.

Change in the management and control of our Company

Our Promoters are the original promoters of our Company, and there has been no change in control of our Company in the five years preceding the date of this Draft Red Herring Prospectus. For details in relation to the shareholding of our Promoter and Promoter Group, and changes in the shareholding of our Promoters, including in the five years preceding the date of this Draft Red Herring Prospectus, see "*Capital Structure*" on page 76.

Interests of our Promoters

Our Promoters are interested in our Company to the extent that they are the promoters of our Company and to the extent of their shareholding in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by our Promoters. Further, our Promoters may be deemed to be interested to the extent of remuneration, commission, perquisites and compensation paid to them and fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of expenses payable to them. For details, see "*Capital Structure*", "*Restated Consolidated Financial Information - Note 39 - Related Party Transactions and Balances*", "*Restated Consolidated Financial Information*" and "*Our Management*" on pages 76, 246, 196 and 176, respectively.

Our Promoters have no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of materials.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce our Promoter to become or to qualify our Promoters, as directors or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

For details regarding interest of our Promoter in our Company, see also "*Restated Consolidated Financial Information - Note 39 - Related Party Transactions and Balances*" on page 246.

Experience of the Promoters in the business of our Company

Our Promoters have adequate experience in the business activities undertaken by our Company.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in "*Restated Consolidated Financial Information - Note 39 - Related Party Transactions and Balances*" on page 246, no amount or benefit has been paid or given during the two years preceding the filing of this Draft Red Herring Prospectus or is intended to be paid or given to our Promoters or Promoter Group.

Material guarantees given by our Promoters to third parties with respect to specified securities of our Company

Our Promoters have not provided any material guarantees to third parties with respect to the specified securities of our Company.

Companies or firms with which our Promoters has disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Confirmation

Except for their directorship in our Subsidiary, our Promoters are not involved in any venture that is in the same line of activities or business as that of our Company.

Our Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations:

(a) Natural persons who are part of our Promoter Group

The following table sets forth details of the persons who form part of our Promoter Group (due to their relationship with our Individual Promoter):

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Kamal Khushlani	Sonakshi Khushlani	Daughter
	Andrew Khushlani	Son
	Indira Gajra	Mother-in-law
	Kennedy Ram Gajra	Brother-in-law
Poonam Khushlani	Sonakshi Khushlani	Daughter
	Andrew Khushlani	Son
	Indira Gajra	Mother
	Kennedy Ram Gajra	Brother

(b) **Entities forming part of our Promoter Group:**

Name of our Promoter	Promoter Group Entity
Kamal Khushlani	G. G. Automotive Gears Limited*
Poonam Khushlani	

** Through the shareholding of Poonam Khushlani, Kennedy Ram Gajra and Indira Gajra in this entity.*

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and applicable accounting standards, "Group Companies" of the Company include (i) the companies (other than the promoters and subsidiaries) with which there were related party transactions as per the Restated Consolidated Financial Information; and (ii) other companies considered material by the Board.

Accordingly, pursuant to the resolution passed by our Board at its meeting held on June 26, 2023, group companies of our Company shall include:

a. the companies with which there were related party transactions as per the Restated Consolidated Financial Information during any of the last three financial years in respect of which the Restated Consolidated Financial Information are included in the Draft Red Herring Prospectus;

b. companies forming part of the Promoter Group with whom the Company has entered into related party transactions during the most recent financial year, in respect of which Restated Consolidated Financial Information are included in the Offer Document which cumulatively exceeds 10% of the total restated revenue of our Company for the last completed financial year as per the Restated Consolidated Financial Information.

Accordingly, as on the date of this Draft Red Herring Prospectus, based on the above, we do not have any Group Companies.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable law, including the Companies Act.

The dividend distribution policy of our Company was adopted and approved by our Board in their meeting held on June 26, 2023. The declaration and payment of dividend, if any, will depend on a number of internal and external factors, which, *inter alia*, include (i) profits earned by our Company, (ii) present and future capital requirements, (iii) overall financial position of our Company and (iv) uncertainty in economic conditions. In addition, our ability to pay dividends may be impacted by a number of factors, including 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 "*Risk Factors – Our Company may not be able to pay dividends in the future as our ability to pay dividends in the future depends on our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and terms of our financing arrangements. We cannot assure you that we will be able to pay dividends in the future*" on page 50 and "*Financial Indebtedness*" on page 280.

The dividends paid by our Company on the Equity Shares for the Fiscals 2023, 2022 and 2021, and until the date of this Draft Red Herring Prospectus are set forth below:

Equity Dividend

(In ₹, except per share data)

Particulars	From April 1, 2023 till the date of the filing of the Draft Red Herring Prospectus	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of Equity Shares	64,301,880	3,215,094	3,192,037	3,192,037
Face value per Equity Shares (in ₹)	2	10.00	10.00	10.00
Interim Dividend on each Equity Share (in ₹)	-	50.00	-	-
Special Dividend on each Equity Share (in ₹)	-	50.00	-	-
Dividend per Equity Share (in ₹)	-	100.00	-	-
Total Amount of Dividend paid	-	321.51	-	-
Rate of dividend (%)	-	1,000%	-	-
Mode of payment of Dividend	-	Bank transfer / Demand Draft	-	-
Dividend Distribution Tax (%)	-	NA	-	-
Dividend Distribution Tax	-	-	-	-

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares issued in the Offer. There is no guarantee that any dividends will be declared or paid in the future. For details of risks in relation to our capability to pay dividend, see "*Risk Factors – Our Company may not be able to pay dividends in the future as our ability to pay dividends in the future depends on our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and terms of our financing arrangements. We cannot assure you that we will be able to pay dividends in the future*" on page 50.

SECTION VII: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Deloitte Haskins & Sells LLP

Chartered Accountants
One International Centre
Tower 3, 27th-32nd Floor,
Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai – 400 013
Maharashtra, India

Tel. +91 22 6185 4000
Fax: + 91 22 6185 4101

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Credo Brands Marketing Limited (formerly known as Credo Brands Marketing Private Limited)

Dear Sirs / Madams,

1. We have examined, as appropriate (refer paragraph 5 below), the attached the Restated Consolidated Financial Information of Credo Brands Marketing Limited, (formerly known as Credo Brands Marketing Private Limited) (the "**Company**" or the "**Issuer**") and its subsidiary (the Company and its subsidiary together referred to as the "**Group**"), comprising the Restated Consolidated Statements of Assets and Liabilities as at March 31, 2023, 2022 and 2021, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statements of Cash Flows, the Restated Consolidated Statements of Changes in Equity for the years ended March 31, 2023, 2022 and 2021, the Significant Accounting Policies, and other explanatory information (collectively, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on June 26, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note") read with SEBI communication as mentioned in Note 2.1 to the Restated Consolidated Financial Information (the "SEBI Communication"), as applicable.

2. The Company's management is responsible for the preparation of the Restated Consolidated Financial Information which have been approved by the Board of Directors for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (BSE and NSE together, the "Stock Exchanges") in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2.1 to the Restated Consolidated Financial Information. The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information, which have been used for the purpose of preparation of these Restated Consolidated Financial Information by the management of the Company, as aforesaid. The respective Board of Directors are also responsible for identifying and ensuring that the company/Group complies with the Act, the ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

Regd. Office: One International Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (west), Mumbai – 400013, India. (LLP Identification No. AAB-8737)

3. We have examined such Restated Consolidated Financial Information taking into consideration:

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated June 05, 2023 in connection with the proposed IPO of the Issuer;

    b) The Guidance Note read with the SEBI Communication, as applicable. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

    c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

    d) The requirements of Section 26 of the Act and the ICDR Regulations.

    Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable, in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

    a) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2023 (along with comparative audited consolidated financial statements as at and for the year ended March 31, 2022) prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (referred to as **"Ind AS**") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and any other accounting principles generally accepted in India (the "**Consolidated Financial Statements**"), which have been approved by the Board of Directors at their meeting held on June 26, 2023. The comparative information as at and for the year ended March 31, 2022 included in the Consolidated Financial Statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2022, prepared in accordance with the accounting standards notified under section 133 of the Act ("**Indian GAAP**") (the "**Statutory Indian GAAP Financial Statements March 2022**"), which have been approved by the Board of Directors at their meeting held on September 29, 2022 and audited by us.

    b) the audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2021 (the "**Special Purpose Consolidated Ind AS Financial Statements**") prepared in accordance with basis described in Note 2.1 of the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on June 26, 2023.

5. For the purpose of our examination, we have relied on:

    a) Auditor's report issued by us dated June 26, 2023 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2023 as referred to in paragraph 4(a) above.

    b) Auditor's report issued by us dated June 26, 2023 on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2021 as referred in paragraph 4(b) above, which includes an Emphasis of Matter paragraph as mentioned below:

        Emphasis of Matter:

        "Basis of preparation and restriction on distribution and use:

We draw attention to Note 2.1 to the Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Financial Statements have been prepared by the Company for the purpose of preparation of the Restated Consolidated Financial Information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in the Draft Red Herring Prospectus (the “DRHP”) in connection with the proposed initial public offering of the Company. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Consolidated Financial Information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.”

6. As indicated in our audit reports referred in paragraphs 5(a) and 5(b) above, we did not audit financial statements / financial information of the subsidiary whose share of total assets, total revenues, net cash inflows / (outflows) included in the Consolidated Financial Statements and the Special Purpose Consolidated Ind AS Financial Statements, is tabulated below, which have been audited by other auditor, and whose reports have been furnished to us by the Company’s management and our opinion on the Consolidated Financial Statements and the Special Purpose Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the reports of the other auditors:

(Rs. in millions)

Particulars	**As at / for the year ended March 31, 2023**	**As at / for the year ended March 31, 2022**	**As at / for the year ended March 31, 2021**
Total assets	0.45	0.76	0.89
Total revenue	Nil	Nil	Nil
Net cash inflow / (outflows)	(0.56)	(0.12)	(0.0003)

Our opinion on the consolidated financial statements is not modified in respect of this matter.

The other auditor, as mentioned above, has examined the restated financial information of such subsidiary and has confirmed that the restated financial information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the years ended March 31, 2023, 2022 and 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed by the Group as at and for the year ended March 31, 2023 to the extent applicable;

b) do not require any adjustment for modification as there is no modification in the underlying audit reports; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the other auditor, as mentioned in paragraph 6 above, respectively, we report that the Restated Consolidated Financial Information:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2022, and 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023;

   b) do not require any adjustment for modification as there is no modification in the underlying audit reports referred in paragraph 5(a) and (b) above. There is an item relating to emphasis of matter (refer paragraph 5 above), which do not require any adjustment to the Restated Consolidated Financial Information; and

   c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Consolidated Financial Statements, the audited Special Purpose Consolidated Ind AS Financial Statements as mentioned in paragraph 5 above (except as described in Note 2.1 of the Restated Consolidated Financial Information).

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, the other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and the Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Joe Pretto)
(Membership No. 77491)
UDIN: 23077491BGXCWD1770

Place: Mumbai
Date: June 26, 2023

CREDO BRANDS MARKETING LIMITED
(Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED)
Restated Consolidated Statement of Assets and Liabilities
(All amounts in Millions, unless otherwise stated)

	Particulars	Notes	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
A	**ASSETS**				
1	**Non-current assets**				
(a)	Property, plant and equipment	5(a)	615.36	402.83	386.86
(b)	Right of use asset	5(b)	1,731.27	1,371.25	1,265.12
(c)	Capital work-in-progress	5(c)	2.08	5.58	4.35
(d)	Investment Property	6	16.66	17.04	17.42
(e)	Intangible assets	7	3.76	1.38	1.93
(f)	Financial assets				
	Investments	8	-	-	-
	Other financial assets	9	126.83	151.10	158.92
(g)	Deferred tax assets (net)	10	202.52	157.90	120.03
(h)	Non-current tax assets	11	15.02	18.85	1.10
(i)	Other non-current assets	12	154.85	116.55	85.21
	Total non-current assets		2,868.35	2,242.48	2,040.94
2	**Current assets**				
(a)	Inventories	13	1,134.03	657.38	586.09
(b)	Financial assets				
	Investments	8	-	-	-
	Trade receivables	14	1,373.11	1,235.87	1,224.24
	Cash and cash equivalents	15	81.35	506.54	252.48
	Other bank balances	15	7.72	7.52	7.20
	Other financial assets	9	80.31	34.90	11.16
(c)	Other current assets	12	199.93	75.80	47.79
	Total current assets		2,876.45	2,518.01	2,128.96
	Total assets		**5,744.80**	**4,760.49**	**4,169.90**
B	**EQUITY AND LIABILITIES**				
1	**Equity**				
(a)	Equity share capital	16	32.15	31.92	31.92
(b)	Other equity	17	2,781.36	2,325.34	1,891.41
	Total equity		2,813.51	2,357.26	1,923.33
2	**Liabilities**				
	Non-current liabilities				
(a)	Financial liabilities				
	Borrowings	18	67.55	100.79	134.04
	Lease liabilities	5(b)	1,512.41	1,111.11	1,045.98
	Other financial liabilities	19	355.36	316.46	281.51
(b)	Provisions	20	38.16	35.35	42.27
	Total non-current liabilities		1,973.48	1,563.71	1,503.80
	Current liabilities				
(a)	Financial liabilities				
	Borrowings	18	33.24	33.85	18.23
	Lease Liabilities	5(b)	305.94	296.73	243.03
	Trade payables	22			
	Total outstanding dues of micro enterprises and small enterprises		118.26	85.11	57.32
	Total outstanding dues of creditors other than micro enterprises and small enterprises		306.42	281.40	289.61
	Other financial liabilities	19	23.30	10.60	10.21
(b)	Provisions	20	25.83	18.27	23.74
(c)	Current tax liabilities (net)	23	-	-	28.36
(d)	Other current liabilities	21	144.82	113.56	72.27
	Total current liabilities		957.81	839.52	742.77
	Total liabilities		2,931.29	2,403.23	2,246.57
	Total equity and liabilities		**5,744.80**	**4,760.49**	**4,169.90**
	The accompanying notes form an integral part of the Restated Consolidated Financial Information	1-47			

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Joe Pretto
(Partner)

(Membership No. 77491)

Place: Mumbai
Date: June 26, 2023

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: U18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. 15884)

Place: Mumbai
Date: June 26, 2023

CREDO BRANDS MARKETING LIMITED
(Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED)
Restated Consolidated Statement of Profit and Loss
(All amounts in Millions, unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Revenue from operations	24	4,981.82	3,411.72	2,448.26
2	Other income	25	111.40	136.63	163.28
3	**Total income (1+2)**		5,093.22	3,548.35	2,611.54
4	**Expenses**				
(a)	Cost of material consumed	26	278.47	157.68	150.96
(b)	Purchases of stock-in-trade	26	2,308.79	1,379.84	1,098.56
(c)	Changes in inventories of finished goods and stock-in-trade	27	(467.85)	(66.85)	0.87
(d)	Employee benefits expense	28	267.63	291.76	218.33
(e)	Finance costs	29	177.48	150.42	167.20
(f)	Depreciation and amortization expense	30	534.30	458.85	440.81
(g)	Other expenses	31	956.28	698.32	494.73
	Total expenses		**4,055.10**	**3,070.02**	**2,571.46**
5	**Restated Profit before tax (3-4)**		1,038.12	478.33	40.08
6	**Tax expense**				
	Current tax	32	309.05	187.38	50.01
	Short/(Excess) provision of income tax of earlier years		(1.42)	(6.52)	(6.16)
	Deferred tax	10	(44.65)	(59.93)	(38.18)
	Total tax expense		**262.98**	**120.93**	**5.67**
7	**Restated Profit for the year (5-6)**		775.14	357.40	34.41
8	**Other comprehensive income**				
A	**Items that will not be reclassified to profit or loss**				
	Re-measurement gain/(loss) on defined benefit liability		0.13	9.06	6.62
	Tax related to above item		(0.03)	(2.28)	(1.67)
			0.10	6.78	4.95
	Total restated comprehensive income for the year (net of tax)		**0.10**	**6.78**	**4.95**
9	**Total restated comprehensive income for the year (7+8)**		**775.24**	**364.18**	**39.36**
	Earnings per share face value of ₹2 each fully paid up				
	Basic earnings per share (in Rs.)	35	12.06	5.60	0.54
	Diluted earnings per share (in Rs.)	35	12.06	5.56	0.54
	The accompanying notes form an integral part of the Restated Consolidated Financial Information	1-47			

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Joe Pretto
(Partner)

(Membership No. 77491)

Place: Mumbai
Date: June 26, 2023

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: U18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. 15884)

Place: Mumbai
Date: June 26, 2023

CREDO BRANDS MARKETING LIMITED
(Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED)
Restated Consolidated Statement of Cash Flows
(All amounts in Millions, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash flows from operating activities**			
	Restated Profit before tax	1,038.12	478.33	40.08
	Adjustments for :			
	Depreciation and amortization expenses	534.30	458.85	440.81
	Interest income on financial assets	(22.50)	(27.42)	(13.60)
	Rental income on investment property	(4.25)	(2.66)	(1.48)
	Finance cost	146.21	132.23	155.17
	Loss on property, plant and equipment sold / scrapped / written off	4.05	6.31	11.60
	Allowance for expected credit loss and doubtful deposits	10.84	111.60	0.10
	Share based payments to employees	2.29	11.30	6.72
	Bad debts written off	0.23	-	-
	Security deposits written off	4.88	-	-
	Sundry balances (written back) / written off	(3.00)	(0.08)	(0.01)
	Excess Provision written back	(29.25)	(2.60)	-
	Covid-19 related rent concessions	(3.58)	(79.20)	(135.78)
	Operating cash flows before working capital changes	1,678.34	1,086.66	503.61
	Working capital adjustments :			
	Decrease/ (increase) in inventories	(476.65)	(71.29)	14.35
	Decrease/ (increase) in trade receivables	(117.63)	(115.51)	202.48
	Decrease/ (increase) in other financial assets	(14.31)	(2.22)	14.30
	Decrease/ (increase) in other current assets	(124.13)	(28.06)	28.83
	Decrease/ (increase) in non-current assets	(40.25)	(43.22)	(8.77)
	(Decrease)/ increase in trade payables	58.92	21.68	134.19
	(Decrease)/ increase in other current liabilities	31.63	29.17	(52.24)
	(Decrease)/ increase in other financial liabilities	23.45	106.43	134.57
	(Decrease)/ increase in provisions	12.75	(2.74)	(13.47)
	Cash generated from operations	1,032.12	980.90	957.85
	Less: Income tax paid (net)	(308.02)	(197.08)	(1.47)
	Net cash generated from operating activities (A)	**724.10**	**783.82**	**956.38**
B.	**Cash flows from investing activities**			
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(341.48)	(152.25)	(59.08)
	Purchase of intangible assets	(3.06)	(0.06)	(0.21)
	Proceeds from sale of property, plant and equipment	0.53	0.35	0.30
	Investment made in Subsidiary	-	(0.10)	-
	In demand deposit accounts - Having maturity more than 3 months	139.74	(140.14)	(3.70)
	Interest income on financial assets	9.17	10.00	2.09
	Rental income on investment property	4.25	2.66	1.48
	Net cash used in investing activities (B)	**(190.85)**	**(279.54)**	**(59.12)**
C.	**Cash flows from financing activities**			
	Proceeds from Long term borrowings	-	0.00	5.23
	Repayment of Short term borrowings	(33.85)	(17.63)	(287.31)
	Proceeds from issue of shares under employee stock options scheme	0.23	-	-
	Repayment of lease liabilities	(432.62)	(342.35)	(335.85)
	Interest paid	(30.96)	(30.38)	(42.99)
	Dividend paid	(321.51)	-	-
	Net cash used in financing activities (C)	**(818.71)**	**(390.36)**	**(660.92)**
	Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	**(285.46)**	**113.92**	**236.34**
	Cash and cash equivalent at the beginning of the year	**362.70**	**248.78**	**12.44**
	Cash and cash equivalents at the end of the year	**77.24**	**362.70**	**248.78**
	Cash and cash equivalents as above comprises of the following			
	Cash in hand	4.61	4.37	4.92
	Balances with bank			
	In current accounts	72.63	58.23	43.86
	In demand deposit accounts - Having maturity less than 3 months	-	300.10	200.00
	Total cash and cash equivalents (Refer note no. 15)	**77.24**	**362.70**	**248.78**

(All amounts in Millions, unless otherwise stated)

Notes:
Reconciliation of liabilities from financing activities For the year ended March 31, 2023

Particulars	Opening Balance	Add / (Less): Impact on account of different transition date of April 1, 2021	Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	134.64	-	-	-	(33.85)	100.79
Lease liabilities	1,407.84	-	843.13	-	(432.62)	1,818.35
Total liabilities from financing activities	1,542.48	-	843.13	-	(466.47)	1,919.14

Reconciliation of liabilities from financing activities for the year ended March 31, 2022

Particulars	Opening Balance	Add / (Less): Impact on account of different transition date of April 1, 2021	Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	152.27	-	-	-	(17.63)	134.64
Lease liabilities	1,289.01	32.82	428.36	-	(342.35)	1,407.84
Total liabilities from financing activities	1,441.28	32.82	428.36	-	(359.98)	1,542.48

Reconciliation of liabilities from financing activities for the year ended March 31, 2021

Particulars	Opening Balance		Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	434.35		-	5.23	(287.31)	152.27
Lease liabilities	1,394.53		230.33	-	(335.85)	1,289.01
Total liabilities from financing activities	1,828.88		230.33	5.23	(623.16)	1,441.28

The accompanying notes form an integral part of the Restated Consolidated Financial Information

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Joe Pretto
(Partner)

(Membership No. 77491)

Place: Mumbai
Date: June 26, 2023

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: U18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. 15884)

Place: Mumbai
Date: June 26, 2023

CREDO BRANDS MARKETING LIMITED
(Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED)
Restated Consolidated Statement of changes in equity
(All amounts in Millions, unless otherwise stated)

(A) Equity share capital

	No. of shares	Amount
Balance as at April 1, 2020	31,92,037.00	31.92
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	31,92,037.00	31.92
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	31,92,037.00	31.92
Changes in equity share capital during the year	23,057.00	0.23
Balance as at March 31, 2023	32,15,094.00	32.15

(B) Other equity

Particulars	Reserve and surplus			
	Securities premium	Retained earnings	Share option outstanding account	Total
Balance as at April 1, 2020	**147.85**	**1,697.48**	**-**	**1,845.33**
Recognition of share based payments	-	-	6.72	6.72
Profit for the year	-	34.41	-	34.41
Re-measurement of defined benefit plan (net of tax)	-	4.95	-	4.95
Balance as at March 31, 2021	**147.85**	**1,736.84**	**6.72**	**1,891.41**
Add / (Less): Impact on account of different transition date of April 1, 2021	-	58.45	-	58.45
Balance as at April 1, 2021	**147.85**	**1,795.29**	**6.72**	**1,949.86**
Recognition of share based payments	-	-	11.30	11.30
Profit for the year	-	357.40	-	357.40
Re-measurement of defined benefit plan (net of tax)	-	6.78	-	6.78
Balance as at March 31, 2022	**147.85**	**2,159.47**	**18.02**	**2,325.34**
Recognition of share based payments	-	-	2.29	2.29
Transfer in respect to share option exercised during the year	11.29	-	(11.29)	-
Payment of dividends		(321.51)	-	(321.51)
Profit for the year	-	775.14	-	775.14
Re-measurement of defined benefit plan (net of tax)	-	0.10	-	0.10
Balance as at March 31, 2023	**159.14**	**2,613.20**	**9.02**	**2,781.36**

The accompanying notes form an integral part of the Restated Consolidated Financial Information 1-47

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Joe Pretto
(Partner)

(Membership No. 77491)

Place: Mumbai
Date: June 26, 2023

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: U18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. 15884)

Place: Mumbai
Date: June 26, 2023

1 Corporate information

CREDO BRANDS MARKETING LIMITED (Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED) ('the Holding Company / the Company') is a public limited company domiciled and incorporated in India under the Companies Act, 2013 vide CIN: U18101MH1999PTC119669 and incorporated on April 29, 1999. The Company is a public limited company w.e.f. May 11, 2023 with new CIN: U18101MH1999PLC119669. The registered office of the Company is located at B-8, MIDC Central Road, Marol, Next to MIDC Police Station, Andheri (E), Mumbai - 400093.

CREDO BRANDS MARKETING LIMITED (Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED) is mainly engaged in the business of selling of fashion casual garments and accessories under the brand name MUFTI. A fresh certificate of incorporation consequent to the conversion of Private to Public Company was issued by the Registrar of Companies Mumbai on May 11, 2023 under section 18 of the Companies Act, 2013 to give effect of conversion.

2 Significant Accounting Policies

2.1 Basis of Preparation and Presentation

The Restated Consolidated Financial Information of the Company and its subsidiary (collectively the "Group"), comprises of the Restated Consolidated Statements of Assets and Liabilities as at March 31, 2023, 2022 and 2021, the Restated Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statements of Cash Flows and the Restated Consolidated Statements of Changes in Equity for the years ended March 31, 2023, 2022 and 2021, the Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information").

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") to be filed with the Securities and Exchange Board of India ("SEBI") and BSE Limited (the "BSE") and National Stock Exchange of India Limited (the "NSE") (BSE and NSE together, the "Stock Exchanges") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note") read with the general directions dated October 28, 2021, letter dated November 18, 2021 and email dated December 18, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through the Book Running Lead Managers (the "SEBI Communications"), as applicable.

In accordance with the notification dated February 16, 2015, issued by Ministry of Corporate Affairs, the Company has voluntarily adopted Indian Accounting Standards notified under section 133 of the Companies Act, 2013, as amended (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") with effect from April 01, 2022. Accordingly, the transition date for adoption of Ind AS is April 01, 2021.

These Restated Consolidated Financial Information have been compiled by the Management from:

(a) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2023 (along with comparative audited consolidated financial statements as at and for the year ended March 31, 2022) prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (referred to as "Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and any other accounting principles generally accepted in India (the "Consolidated Financial Statements"), which have been approved by the Board of Directors at their meeting held on June 26, 2023. The comparative information as at and for the year ended March 31, 2022 included in the consolidated financial statements of the Group as at and for the year ended March 31, 2023 have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2022, prepared in accordance with the accounting standards notified under section 133 of the Act ("Indian GAAP") (the "Statutory Indian GAAP Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 29, 2022.

(b) the special purpose consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2021 (the "Special Purpose Consolidated Ind AS Financial Statements") prepared in accordance with basis explained in subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on June 26, 2023.

In pursuance to the SEBI Communication, for the purpose of the Special Purpose Consolidated Ind AS Financial Statements for the year ended March 31, 2021 of the Group, the transition date is considered as April 01, 2020 which is different from the transition date adopted by the Group at the time of first time transition to Ind AS (i.e. April 01, 2021) for the purpose of preparation of the Statutory Consolidated Ind AS Financial Statements as required under the Act. Accordingly, the Group has applied the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101, as applicable) as on April 01, 2020 for the Special Purpose Consolidated Ind AS Financial Statements, as initially adopted on transition date i.e. April 01, 2021.

As such, the Special Purpose Consolidated Ind AS Financial Statements are prepared considering the accounting principles stated in Ind AS, as adopted by the Group and described in subsequent paragraphs.

The Special Purpose Consolidated Ind AS Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in DRHP in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, these Special Purpose Consolidated Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of the Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

Further, since the statutory date of transition to Ind AS is April 1, 2021, and that the Special Purpose Consolidated Ind AS Financial Statements have been prepared considering a transition date of April 1, 2020, the closing balances of items included in the Special Purpose Balance Sheet as at March 31, 2021 may be different from the balances considered on the statutory date of transition to Ind AS on April 1, 2021, due to such early application of Ind AS principles with effect from April 1, 2020 as compared to the date of statutory transition. Refer Note No. 46.2 for reconciliation of equity and total comprehensive income as per the Special Purpose Consolidated Ind AS Financial Statements and the Statutory Indian GAAP Financial Statements as at and for the year ended March 31, 2021 and equity and total comprehensive income as per the Restated Consolidated Financial Information.

As explained in Note 2.1.1 to the Restated Consolidated Financial Information, the Company acquired KAPS Mercantile Private Limited (the "Subsidiary") on April 28, 2022. The aforesaid acquisition is a common control transaction in accordance with Ind AS 103 Business Combinations. Accordingly, the financial information of the subsidiary has been consolidated in accordance with Ind AS 110 "Consolidated Financial Statements" for the years ended March 31, 2023, 2022 and 2021.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of the Ind AS consolidated financial statements as at and for the year ended March 31, 2023.

Subsequent to March 31, 2023, pursuant to a resolution passed in extra-ordinary general meeting dated April 18, 2023, shareholders have approved sub-division of each equity share of face value of Rs. 10 each into five equity shares of face value of Rs. 2 each (the "Split"). Further, the Company in extra-ordinary general meeting dated February 14, 2023, have approved the issuance of bonus shares to the equity shareholders in the ratio of 3:1. As required under Ind AS 33 "Earning per share" the effect of such split/bonus is required to be adjusted for the purpose of computing earning per share for all the years presented retrospectively. As a result, the effect of split/bonus has been considered in these Restated Consolidated Financial Information for the purpose of calculating of earning per share (Refer Note No. 35 of the Restated Consolidated Financial Information).

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the Consolidated Ind AS financial statements, the Special Purpose Consolidated Ind AS Financial Statement and the Statutory Indian GAAP Financial Statements except for the common control transaction and effect of bonus and share split as mentioned above.

The Restated Consolidated Financial Information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2022, and 2021, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the year ended March 31, 2023, as applicable;

(b) do not require any adjustment for modification as there is no modification in the underlying audit reports on the Consolidated Ind AS Financial Statements and the Special Purpose Consolidated Ind AS Financial Statements referred in preceding paragraphs.

The auditor's report dated June 26, 2023 on the Special Purpose Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2021 includes the following Emphasis of Matter paragraph:

"Basis of preparation and restriction on distribution and use:

We draw attention to Note 2.1 to the Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company for the purpose of preparation of the Restated Consolidated Financial Information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in the Draft Red Herring Prospectus (the "DRHP") in connection with the proposed initial public offering of the Company. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Consolidated Financial Information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter."

The above emphasis of matter does not require any adjustment to the Restated Consolidated Financial Information.

These Restated Consolidated Financial Information were approved in accordance with a resolution of the directors on June 26, 2023.

The Restated Consolidated Financial Information are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest millions, unless otherwise stated.

2.1.1 Basis of Consolidation:

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.

The Company accounts for its business combination under common control using pooling of interest method of accounting as per Appendix C of Ind AS 103. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the definition for recognition are recognized at their carrying amount at the acquisition date. Transferor's reserves are preserved and are appeared in the financial statements of the transferee in the same form in which they appear in the financial statements of the transferor. Acquisition date is the beginning of the preceding period in case the common control is established prior to such date. However, if business combination had occurred after such date, the acquisition date is considered only from that date.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

2.1.2 Principles of Consolidation:

The Restated Consolidated Financial Information have been prepared on the following basis:

(a) The Restated Consolidated Financial Information of the Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

(c) The Restated Consolidated Financial Information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(d) The carrying amount of the Company's investments in each subsidiary is off set (eliminated) against the Company's portion of equity in the subsidiary.

The management of the Company performed assessment in relation to above matters and have made necessary adjustments to the underlying financial information of the Group for the purpose of preparation of these Restated Consolidated Financial Information.

2.2 Functional and Presentation Currency

The Restated Consolidated Financial Information are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated Consolidated Financial Information are presented in Indian rupee (Rs.), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than Rs. 10,00,000 have been rounded and are presented as Rs. 0.00 Million in the Restated Consolidated Financial Information.

2.3 Current and non-current classification

The Group presents assets and liabilities in the Restated Consolidated Statement of Assets & Liabilities based on current / non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is 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.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of service and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

2.4 Property, Plant & Equipment

Property plant and equipment are stated at their cost of acquisition, less accumulated depreciation/ amortisation and impairment loss. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset. Parts (major components) of an item of Property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date. Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the reporting date are disclosed as "Capital Work in Progress".

2.4.1 Depreciation method, estimated useful lives and residual value

Depreciation on the property, plant and equipment (other than capital work in progress) is provided on a straight line method over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013. The estimated useful lives are as under:

Plant and machinery	15 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are amortised on a straight line basis over lease term or 5 years whichever is less.
Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

2.4.2 Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Profit or Loss when the asset is de-recognised.

2.5 Intangible assets and amortisation

2.5.1 Recognition and measurement

Intangible assets that are acquired by the Group are stated at cost of acquistion less amortization and impairment losses, if any. Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use. Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the reporting period.

2.5.2 Amortization and useful lives

Intangible assets with finite lives comprise of trademarks/brand and software, are amortized over the period of 5 years and 3 years respectively on straight-line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

2.5.3 Derecognition policy

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2.6 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.7 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

Depreciation is recognised so as to write-off the cost less residual value over the estimated useful life of 60 years, using the straight-line method.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn form use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the period in which the property is derecognized.

2.8 Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. The contract is, or contains, a lease if the contract provide lessee, the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee does not have the right to use an identified asset if, at inception of the contract, a lessor has a substantive right to substitute the asset throughout the period of use.

The Company accounts for the lease arrangement as follows:

(i) Where the Company is the lessee

Right of Use Asset

The Company applies single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. On the commencement of the lease, the Company, in its restated Statements of assets and liabilities, recognised the right of use asset at cost and lease liability at present value of the lease payments to be made over the lease term.

Subsequently, the right of use asset is measured at cost less accumulated depreciation [calculated on straight line method] and any accumulated impairment loss. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Asset category	**Lease Term**
Lease hold premises	3 to 9 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.6 on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease payment made, are apportioned between the finance charge and the reduction of lease liability, and are recognised as expense in the restated Statements of profit and loss.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as Right of Use Asset and depreciated over the lease term. Unwinding of discount is treated as finance income and recognised in the restated Statements of profit and loss.

(ii) Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Lease deposits received are financial instruments (financial liability) and are measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the EIR method.

2.9 Inventories

Inventories of raw material, finished good and stock-in-trade are valued at the lower of cost (on First-in-First out basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.13.1 Classification of financial assets

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit or Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through Other Comprehensive Income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.13.2 Subsequent Measurement

Financial assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost.

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset’s cash flows represent solely payments of principal and interest, are measured at FVOCI. All equity investments are measured at fair value through other comprehensive income, except for investments in subsidiary/associate which is measured at cost. Changes in the fair value of financial assets are recognized in Statement of Other Comprehensive Income. In those cases, there is no subsequent reclassification of fair value gains and losses to Statement of profit and loss.

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognized and presented net in the Statement of profit and loss within other income in the period in which it arises.

2.13.3 Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

(b) Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For other financial assets carried at amortised cost the Group assesses, on a forward looking basis, the expected credit losses associated with such assets and recognises the same in profit or loss.

2.13.4 Derecognition of financial assets

The Group derecognizes a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers substantially all risk and rewards of ownership of the financial asset. A gain or loss on such financial assets that are subsequently measured at amortized cost is recognized in the Statement of Profit or Loss when the asset is derecognized.

2.14 Financial liabilities and equity instruments

2.14.1 Classification of debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

2.15 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL (fair value through profit or loss).

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and Commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.15.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables). All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2.15.2 Subsequent Measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to interest-bearing loans and borrowings.

2.15.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.15.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Cash and cash equivalents

Cash and cash equivalents includes cash and cheques on hand, current accounts and fixed deposits accounts with banks with original maturities of three months or less that are readily convertible to known amounts of cash (other than on lien) and which are subject to an insignificant risk of changes in value and book overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16.1 Statements of cash flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Financial Information are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3 – Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.
For assets and liabilities that are recognised in the Restated Consolidated Ind AS Financial Infomation at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy. Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.18 Revenue recognition

The Company's revenue majorly represents revenue from sale of garments. The Company sells garments through own stores and through business partners such as distributors, franchisees, large format stores and E-Commerce.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

2.18.1 Sale of goods

The Company derives revenue from sale of goods and revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. To recognise revenues, the Company applies the following five step approach:

(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract, and
(5) recognize revenues when a performance obligation is satisfied.

The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Company has concluded that certain arrangements with its business partner, where the Company has an unconditional obligation relating to unsold inventory, are on principal to agent basis and for other cases the Company has concluded that its arrangements with business partners are on principal to principal.

The transfer of control of promised goods as above, generally coincides with the delivery of goods to customers.
- For business partner acting as principal, revenue is recognised upon sale to business partner.
- For business partner acting as agent, revenue is recognised once goods are sold by business partner to end customers.

Sales are recognised, net of returns and trade discounts, rebates, and Goods and Services Tax (GST).

Under the Company’s standard contract terms, customers have a right of return goods as per Company’s policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Company has a right to recover the product when customers exercise their right of return; consequently, the Company recognises a right-to-returned-goods asset and a corresponding adjustment to cost of sales. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

The Company operates a loyalty programme through which retail customers accumulate points on purchases of apparels that entitle them to discounts on future purchases. These points provide a discount to customers that they would not receive without purchasing the apparels (i.e. it is a material right). The promise to provide the discount to the customer is therefore a separate performance obligation. The transaction price is allocated between the sale of appreals and the rights related to the loyalty points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Comapny’s historical experience. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.

2.18.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.18.3 Other income

Other incomes are accounted on accrual basis and except interest on delayed payment by debtors which are accounted on acceptance of the Group’s claim.

2.19 Foreign currency Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss and reported within foreign exchange gains / (losses).

2.20 Employee benefits

Company's Employee benefit obligations include Short-term obligations and Post-employment obligations which includes gratuity plan and contributions to provident fund.

2.20.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service which are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.20.2 Compensated absences

Compensated absences in form of earned leave are expected to be utilised wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the undiscounted value at the end of the reporting period.

2.20.3 Post-employment obligations

Defined benefit plans

The Company has defined benefit plan namely gratuity, which is unfunded. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company’s defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme and Employee Pension Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

2.21 Share-based payment to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note No. 37.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.22 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.22.1 Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates applicable for the respective period.

2.22.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the restated financial information and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.22.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.24 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Group as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(a) Ind AS 1 | Presentation of Financial Statements – The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

(b) Ind AS 12 | Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

(c) Ind AS 8 | Accounting Policies, Changes in Accounting Estimates and Errors - The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

4 Use of estimates and critical accounting judgements

The preparation of Financial Information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Information are disclosed below.

4.1 Property, plant and equipment and Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

4.2 Leases

The Company determines the lease term in accordance with Ind AS 116 which requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations.

4.3 Inventories

The Company considers year and seasonality to which inventory pertains for determining net realisable value for old inventories. Such old inventories are further marked down to its estimated realisable value based on amount which the Company has been able to realise on sale of old inventory around the period end. the management applies judgement in determining the appropriate provisions for slow moving and/ or obsolete stock, based on the analysis of old season inventories, past experience, current trend and future expectations for these inventories, depending upon the category of goods.

4.4 Employee benefits

The cost of the defined benefitg plan is determined using actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its nature, a defined benefit is highly sensitive to change in these assumptions. All assumptions are reviewed at each reporting period.

4.5 Share-based payments to employees

The fair value of share-based payments to employees determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The fair value of stock options at the grant date are determined by an independent valuer using assumptions and method determined by the Company.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

4.6 Provision for discount & sales return

The Company provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

4.7 Estimation of uncertainities relating to the global health pandemic from Covid-19:

The Group has considered the internal and external sources of information and economic forecast, upto the date of approval of these Financial Information, in determining the impact of Covid-19 pandemic on various elements of its business operations and Financial Information including capital and financial resources, profitability, liquidity position and supply chain. The Group has used the principles of prudence in applying the judgements, estimates and assumptions and based on current estimates, the Group excepts to recover the carrying value of its current and non current assets (Also refer note 43).

CREDO BRANDS MARKETING LIMITED
(Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED)
Notes Forming part of the Restated Consolidated Financial Information
(All amounts in Millions, unless otherwise stated)

5(a) Property, Plant and Equipment

	Particulars	Office Equipment	Computers	Leasehold Improvement	Furniture & Fixtures	Vehicles	Plant & Equipment	Total
I.	**Gross Carrying Value**							
	Balance as on April 1, 2020	**41.55**	**16.04**	**235.97**	**137.65**	**12.62**	**9.49**	**453.32**
	Additions	7.80	1.90	43.91	14.78	-	0.95	**69.34**
	Disposals / adjustments	(0.82)	(0.15)	(10.84)	(0.06)	-	(0.04)	**(11.91)**
	Balance as on March 31, 2021	**48.53**	**17.79**	**269.04**	**152.37**	**12.62**	**10.40**	**510.75**
	Add / (Less): Impact on account of different transition date of April 1, 2021	(13.10)	(9.94)	(60.43)	(36.34)	(3.16)	(0.92)	**(123.89)**
	Balance as on April 1, 2021	**35.43**	**7.85**	**208.61**	**116.03**	**9.46**	**9.48**	**386.86**
	Additions	14.99	2.87	98.79	23.70	4.97	0.64	**145.96**
	Disposals / adjustments	(1.04)	(0.26)	(8.24)	(0.50)	-	(0.11)	**(10.15)**
	Balance as on March 31, 2022	**49.38**	**10.46**	**299.16**	**139.23**	**14.43**	**10.01**	**522.67**
	Additions	46.28	10.02	166.37	121.07	14.72	4.82	**363.28**
	Disposals / adjustments	(1.22)	(0.01)	(8.19)	(0.02)	-	(0.07)	**(9.51)**
	Balance as on March 31, 2023	**94.44**	**20.47**	**457.34**	**260.28**	**29.15**	**14.76**	**876.44**
II.	**Accumulated Depreciation**							
	Balance as on April 1, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Depreciation expense	13.10	9.94	60.43	36.34	3.16	0.92	**123.89**
	Disposals / adjustments	-	-	-	-	-	-	**-**
	Balance as on March 31, 2021	**13.10**	**9.94**	**60.43**	**36.34**	**3.16**	**0.92**	**123.89**
	Add / (Less): Impact on account of different transition date of April 1, 2021	(13.10)	(9.94)	(60.43)	(36.34)	(3.16)	(0.92)	**(123.89)**
	Balance as on April 1, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Depreciation expense	13.56	6.55	64.03	35.19	3.05	0.94	**123.32**
	Disposals / adjustments	(0.52)	(0.18)	(2.72)	(0.05)	-	(0.01)	**(3.48)**
	Balance as on March 31, 2022	**13.04**	**6.37**	**61.31**	**35.14**	**3.05**	**0.93**	**119.84**
	Depreciation expense	16.96	3.60	83.96	35.91	4.60	1.13	**146.16**
	Disposals / adjustments	(0.75)	(0.01)	(4.14)	(0.01)	-	(0.01)	**(4.92)**
	Balance as on March 31, 2023	**29.25**	**9.96**	**141.13**	**71.04**	**7.65**	**2.05**	**261.08**
III.	**Net Carrying Value (I-II)**							
	Balance as on March 31, 2021	**35.43**	**7.85**	**208.61**	**116.03**	**9.46**	**9.48**	**386.86**
	Balance as on March 31, 2022	**36.34**	**4.09**	**237.85**	**104.09**	**11.38**	**9.08**	**402.83**
	Balance as on March 31, 2023	**65.19**	**10.51**	**316.21**	**189.24**	**21.50**	**12.71**	**615.36**

Notes:

(i) The Group has elected to continue with the carrying value of its property, plant and equipment as on the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(ii) Property, plant and equipment (excluding vehicles) have been pledged against secured term loan and cash credit facility (Refer note no. 18)

(All amounts in Millions, unless otherwise stated)

5(b) Right of Use Asset

	Particulars	Building
I.	**Gross Carrying Value**	
	Balance as on April 1, 2020	**1,459.37**
	Additions	120.79
	Deletions	-
	Balance as on March 31, 2021	**1,580.16**
	Add / (Less): Impact on account of different transition date of April 1, 2021	**(208.69)**
	Balance as on April 1, 2021	**1,371.47**
	Additions	334.32
	Deletions	-
	Balance as on March 31, 2022	**1,705.79**
	Additions	747.11
	Deletions	-
	Balance as on March 31, 2023	**2,452.90**
II.	**Accumulated Depreciation**	
	Balance as on April 1, 2020	**-**
	Depreciation expense	315.04
	Deletions	-
	Balance as on March 31, 2021	**315.04**
	Add / (Less): Impact on account of different transition date of April 1, 2021	**(315.04)**
	Balance as on April 1, 2021	-
	Depreciation expense	334.54
	Deletions	-
	Balance as on March 31, 2022	**334.54**
	Depreciation expense	387.09
	Deletions	-
	Balance as on March 31, 2023	**721.63**
III.	**Net Carrying Value**	
	Balance as on March 31, 2021	**1,265.12**
	Add / (Less): Impact on account of different transition date of April 1, 2021	**106.35**
	Balance as on April 1, 2021	**1,371.47**
	Balance as on March 31, 2022	**1,371.25**
	Balance as on March 31, 2023	**1,731.27**

(i) The following is the break-up of current and non-current lease liabilities :

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current lease liability	305.94	296.73	243.03
Non Current lease liability	1,512.41	1,111.11	1,045.98
Total	**1,818.35**	**1,407.84**	**1,289.01**

The weighted average incremental borrowing rate of 8.42% has been applied to lease liabilities recognised in the Consolidated Balance Sheet at the date of initial application i.e April 1, 2020. The Group has used a single discount rate to a portfolio of leases with similar characteristic.

The weighted average incremental borrowing rate of 7.47% has been applied to lease liabilities recognised in the Consolidated Balance Sheet at the date of initial application i.e April 1, 2021. The Group has used a single discount rate to a portfolio of leases with similar characteristic.

(ii) The following is the movement in lease liabilities during the year :

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,407.84	1,289.01	1,394.53
Add / (Less): Impact on account of different transition date of April 1, 2021	-	32.82	-
Additions/modifications	727.88	326.51	118.15
Deletions	-	-	-
Finance cost on lease liabilities (Refer note no. 29)	115.25	101.85	112.18
Lease rentals paid	(432.62)	(342.35)	(335.85)
Balance as at the year end	**1,818.35**	**1,407.84**	**1,289.01**

(iii) Details of contractual maturities of lease liabilities on an undiscounted basis :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Less than one year	433.79	391.81	342.16
One to five years	1,274.67	1,001.25	973.47
More than five years	619.87	344.61	315.32
Total	**2,328.33**	**1,737.67**	**1,630.95**

The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the lease liabilities as and when they fall due.

(All amounts in Millions, unless otherwise stated)

5(b) Right of Use Asset

(iv) Impact on statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	115.25	101.85	112.18
Depreciation on right of use assets	387.09	334.54	315.04
Expenses relating to short-term leases	0.53	12.93	18.82
Expenses relating to variable leases	37.95	24.44	17.95
Expenses relating to low value leases	1.85	1.87	1.51
Others	3.08	3.35	(0.68)

(v) Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the Covid-19 pandemic. Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.
(iii) There is no substantive change to other terms and conditions of the lease.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19 - Related Rent Concessions" effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient upto June 30, 2022.The Company has accounted the unconditional rent concessions of Rs. 3.58 Millions For the year ended March 31, 2023 (for the year ended March 31, 2022: Rs. 79.20 Millions), (for the year ended March 31, 2021: Rs. 135.78 Millions). The same has been accounted as a Rental Income in the Restated Consolidated Statement of Profit and Loss.

(All amounts in Millions, unless otherwise stated)

5(c) Capital work in progress

Particulars	Leasehold Improvement	Total
Balance as on April 1, 2020	**7.76**	**7.76**
Additions	4.35	**4.35**
Transfer to Property, plant and equipment	(7.76)	**(7.76)**
Balance as on March 31, 2021	**4.35**	**4.35**
Additions	5.58	**5.58**
Transfer to Property, plant and equipment	(4.35)	**(4.35)**
Balance as on March 31, 2022	**5.58**	**5.58**
Additions	2.08	**2.08**
Transfer to Property, plant and equipment	(5.58)	**(5.58)**
Balance as on March 31, 2023	**2.08**	**2.08**

Capital work-in-progress ageing schedule For the year ended March 31, 2023 is as follows

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.08	-	-	-	2.08
Projects temporarily suspended	-	-	-	-	-
Total	**2.08**	**-**	**-**	**-**	**2.08**

Capital work-in-progress ageing schedule for the year ended March 31, 2022 is as follows

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.58	-	-	-	5.58
Projects temporarily suspended	-	-	-	-	-
Total	**5.58**	**-**	**-**	**-**	**5.58**

Capital work-in-progress ageing schedule for the year ended March 31, 2021 is as follows

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4.35	-	-	-	4.35
Projects temporarily suspended	-	-	-	-	-
Total	**4.35**	**-**	**-**	**-**	**4.35**

(All amounts in Millions, unless otherwise stated)

6 Investment Property

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Gross carrying value			
Opening gross carring amount	17.42	17.80	17.80
Add / (Less): Impact on account of different transition date of April 1, 2021		(0.38)	
Additions	-	-	-
Deletion	-	-	-
Closing gross carrying value	**17.42**	**17.42**	**17.80**
Accumulated depreciation			
Opening accumulated depreciation	0.38	0.38	-
Add / (Less): Impact on account of different transition date of April 1, 2021		(0.38)	
Depreciation charge (Refer note no. 30)	0.38	0.38	0.38
Closing accumulated depreciation	**0.76**	**0.38**	**0.38**
Net carrying value	**16.66**	**17.04**	**17.42**

(i) Amounts recognized in Statement of Profit and Loss for investment properties

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental income (Refer note no. 25)	4.25	2.66	1.48
Direct operating expenses from property that generated rental income	(0.16)	(0.59)	(1.48)
Profit/(Loss) from investment properties before depreciation	**4.09**	**2.07**	**(0.00)**
Depreciation charge (Refer note no. 30)	(0.38)	(0.38)	(0.38)
Profit/(Loss) from investment properties	**3.71**	**1.69**	**(0.38)**

(ii) There is no immovable property which is not held in the name of the Group.

(iii) Investment property includes Rs. 3,250/- being the value of sixty five shares of Rs. 50 each in Tex Centre Premises Co-operative Society Limited.

(iv) Details of rental income receivable on an undiscounted basis:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Less than one year	4.46	4.25	2.66
One to five years	11.11	15.57	18.06
More than five years	-	-	1.77
	15.57	**19.82**	**22.49**

(v) The fair value of investment properties is Rs. 147.50 millions. The valuations are based on valuations performed by 'Yardi Prabhu Consultants & Valuers Private Limited', an accredited independent valuer. They specialise in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties Valuation	Technique
Building	Selling Price method based on recent market prices

(All amounts in Millions, unless otherwise stated)

7 Intangible Assets

	Particulars	Trade Mark & Brands	Software	Total
I.	**Gross Carrying Value**			
	Balance as on April 1, 2020	**2.20**	**1.01**	**3.21**
	Additions	0.22	-	**0.22**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2021	**2.42**	**1.01**	**3.43**
	Add / (Less): Impact on account of different transition date of April 1, 2021	(0.56)	(0.94)	**(1.50)**
	Balance as on April 1, 2021	**1.86**	**0.07**	**1.93**
	Additions	0.06	-	**0.06**
	Disposals / adjustments	-	(0.00)	**(0.00)**
	Balance as on March 31, 2022	**1.92**	**0.07**	**1.99**
	Additions	0.03	3.02	**3.05**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2023	**1.95**	**3.09**	**5.04**
II.	**Accumulated Amortisation**			
	Balance as on April 1, 2020	**-**	**-**	**-**
	Amortisation expense	0.56	0.94	**1.50**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2021	**0.56**	**0.94**	**1.50**
	Add / (Less): Impact on account of different transition date of April 1, 2021	(0.56)	(0.94)	**(1.50)**
	Balance as on April 1, 2021	**-**	**-**	**-**
	Amortisation expense	0.54	0.07	**0.61**
	Disposals / adjustments	-	(0.00)	**(0.00)**
	Balance as on March 31, 2022	**0.54**	**0.07**	**0.61**
	Amortisation expense	0.52	0.15	**0.67**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2023	**1.06**	**0.22**	**1.28**
III.	**Net Carrying Value (I-II)**			
	Balance as on March 31, 2021	**1.86**	**0.07**	**1.93**
	Balance as on March 31, 2022	**1.38**	**0.00**	**1.38**
	Balance as on March 31, 2023	**0.89**	**2.87**	**3.76**

Notes:

(i) The Group has elected to continue with the carrying value of its intangible assets as on the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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8 Non-current investments

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount	Units	Amount
Investments in Equity Instruments						
Total	-	-	-	-	-	-

(All amounts in Millions, unless otherwise stated)

9 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good - at amortised cost)			
Non-current			
Security deposits paid	126.83	151.10	158.92
	126.83	151.10	158.92
(Unsecured, considered doubtful - at amortised cost)			
Non-current			
Security deposits paid	9.15	7.72	-
Less: Allowance for doubtful security deposit	(9.15)	(7.72)	-
	-	-	-
Total	126.83	151.10	158.92
(Unsecured, considered good - at amortised cost)			
Current			
(a) Security deposits paid	80.14	28.40	10.83
(b) Accrued interest on bank deposits	0.17	6.50	0.33
Total	80.31	34.90	11.16

(All amounts in Millions, unless otherwise stated)

10 Deferred tax assets

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (a)	642.59	507.57	442.48
Deferred tax liabilities (b)	(440.07)	(349.67)	(322.45)
Deferred tax assets (net) (a-b)	202.52	157.90	120.03

Deferred tax assets / (liabilities) in relation to:

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Impact on account of different transition date of April 1, 2021	Closing balance
As at March 31 2023					
i) Deferred tax assets in relation to:					
Property, plant and equipment	92.35	9.20	-	-	101.55
Leases (net)	354.33	103.32	-	-	457.65
Security deposits paid	11.40	1.71	-	-	13.11
Employee benefits	14.87	0.17	(0.03)	-	15.01
Doubtful debts	28.09	(4.63)	-	-	23.46
Loyalty points	3.21	1.46	-	-	4.67
Revenue reversal - goods sold on sale or ruturn basis	3.32	22.69	-	-	26.01
GST Input Tax Credit	-	1.13	-	-	1.13
Total	**507.57**	**135.05**	**(0.03)**	**-**	**642.59**
ii) Deferred tax liabilities in relation to:					
Intangible assets	0.01	0.03	-	-	0.04
Investment property	3.12	0.02	-	-	3.14
Leases (net)	335.46	88.87	-	-	424.33
Security deposits paid	11.08	1.48	-	-	12.56
Total	**349.67**	**90.40**	**-**	**-**	**440.07**
Deferred tax assets (net)	**157.90**	**44.65**	**(0.03)**	**-**	**202.52**
As at March 31 2022					
i) Deferred tax assets in relation to:					
Property, plant and equipment	82.21	10.14	-	-	92.35
Leases (net)	324.41	21.66	-	8.26	354.33
Security deposits paid	12.70	(0.21)	-	(1.09)	11.40
Employee benefits	18.52	(1.37)	(2.28)	-	14.87
Doubtful debts	-	28.09	-	-	28.09
Loyalty points	2.31	0.90	-	-	3.21
Revenue reversal - goods sold on sale or return basis	2.33	0.99	-	-	3.32
Total	**442.48**	**60.20**	**(2.28)**	**7.17**	**507.57**
ii) Deferred tax liabilities in relation to:					
Intangible assets	0.07	(0.06)	-	-	0.01
Investment property	2.94	0.18	-	-	3.12
Leases (net)	307.20	0.68	-	27.58	335.46
Security deposits paid	12.24	(0.53)	-	(0.63)	11.08
Total	**322.45**	**0.27**	**-**	**26.95**	**349.67**
Deferred tax assets (net)	**120.03**	**59.93**	**(2.28)**	**(19.78)**	**157.90**
As at March 31 2021					
i) Deferred tax assets in relation to:					
Property, plant and equipment	70.43	11.78	-	-	82.21
Leases (net)	350.97	(26.56)	-	-	324.41
Security deposits paid	14.27	(1.57)	-	-	12.70
Employee benefits	13.41	6.79	(1.67)	-	18.53
Loyalty points	1.93	0.37	-	-	2.30
Revenue reversal - goods sold on sale or ruturn basis	3.98	(1.65)	-	-	2.33
Total	**454.99**	**(10.84)**	**(1.67)**	**-**	**442.48**
ii) Deferred tax liabilities in relation to:					
Intangible assets	0.31	(0.24)	-	-	0.07
Investment property	3.04	(0.10)	-	-	2.94
Leases (net)	353.85	(46.65)	-	-	307.20
Security deposits paid	14.27	(2.03)	-	-	12.24
Total	**371.47**	**(49.02)**	**-**	**-**	**322.45**
Deferred tax assets (net)	**83.52**	**38.18**	**(1.67)**	**-**	**120.03**

Note:

The Group has recognised deferred tax assets (net) amounting to Rs. 202.52 Millions as at March 31, 2023 (As at March 31, 2022 : Rs. 157.90 Millions), (As at March 31, 2021 : Rs. 120.03 Millions) consistent with applicable Indian Accounting Standard as it is considered probable that future taxable profits will be available.

(All amounts in Millions, unless otherwise stated)

11 Non-current tax assets

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Income Tax Assets (net of provision for tax)	15.02	18.85	1.10
Total	**15.02**	**18.85**	**1.10**

12 Other assets
(Unsecured, considered good)

	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Non-current			
(a)	Capital advances	1.00	6.78	1.42
(b)	Balance with government authorities (Goods and Services tax input receivable)	149.17	103.96	79.29
(c)	Prepayments	0.09	0.42	0.45
(d)	Prepayments - Security deposits	4.59	5.39	4.05
	Total	**154.85**	**116.55**	**85.21**
	Current			
(a)	Advances to employees	2.47	2.32	4.60
(b)	Prepayments	92.19	5.97	4.51
(c)	Prepayments - Security deposits	0.06	0.27	0.05
(d)	Advances to suppliers	10.55	14.41	4.10
(e)	Right to return good assets (Refer note (i) below)	80.23	52.83	34.53
(f)	Other advances (Refer note (iii) below)	14.43	-	-
	Total	**199.93**	**75.80**	**47.79**

Note:

(i) The right to return goods asset represents the Company's right to recover products from customers where customers exercise their right of return under the Company's returns policy. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

(ii) Other assets have been pledged against secured term loan and cash credit facility (Refer note no. 18)

(iii) The Company has so far incurred as at March 31, 2023, share issue expense of Rs. 14.43 Millions in connection with proposed public offer of equity shares, in accordance with the Companies Act 2013 (the Act). The selling shareholders shall reimburse the share issue expenses. Accordingly, the Company will fully recover the expenses incurred with the issue on completion of Initial Public Offer (IPO).

(All amounts in Millions, unless otherwise stated)

13 Inventories (Lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Raw materials	57.80	36.30	43.97
Raw materials - In Transit	2.91	15.61	3.50
Finished goods	1,003.72	582.16	532.18
Finished goods - In Transit	69.60	23.31	6.44
Total	**1,134.03**	**657.38**	**586.09**

(i) The cost of inventories recognised as an expense is Rs. 2,119.41 Millions for the year ended March 31, 2023 (for the year ended March 31, 2022 Rs. 1470.68 Millions), (for the year ended March 31, 2021 Rs. 1,250.40 Millions).
(ii) The cost of inventories recognised as an expense on account of write-down of inventory is Rs. 25.62 Millions for the year ended March 31, 2023 (for the year ended March 31, 2022 Rs. 39.08 Millions), (for the year ended March 31, 2021 Rs. 28.59 Millions).
(iii) The mode of valuation of inventory has been stated in note 2.11.
(iv) Inventories have been pledged against secured term loan and cash credit facility (Refer note no. 18)

14 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current			
Unsecured, considered good	1,373.11	1,235.87	1,224.24
unsecured, considered doubtful	84.04	103.88	0.10
	1,457.15	1,339.75	1,224.34
Less: Allowance for doubtful debts (expected credit loss allowance)	(84.04)	(103.88)	(0.10)
Total	**1,373.11**	**1,235.87**	**1,224.24**

Note:

(i) Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance as at the beginning of the year	103.88	0.10	-
Add: Provided / (Reversal) during the year	(19.84)	103.88	0.10
Less: Amount Written off	-	(0.10)	-
Balance as at the end of the year	**84.04**	**103.88**	**0.10**

(ii) Age of receivables

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Less than 180 days	1,231.82	1,211.25	1,095.56
More than 180 days	225.33	128.50	128.78
Provided / (Reversal) during the year	(84.04)	(103.88)	(0.10)

(iii) Ageing wise % of expected credit loss allowance

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Less than 180 days	0%	48%	0%
More than 180 days	100%	52%	0%

(All amounts in Millions, unless otherwise stated)

(iv) Trade receivable ageing:

Outstanding for following periods from date of transaction

	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a)	**Undisputed Trade Receivables-considered good**			
	Not due	-	-	-
	Less than 6 months	1,231.82	1,142.71	1,095.56
	6 months - 1 year	135.53	84.17	68.26
	1-2 years	2.77	4.43	57.80
	2-3 years	2.35	-	-
	More than 3 years	0.64	-	-
	Sub-total	**1,373.11**	**1,231.31**	**1,221.62**
(b)	**Undisputed trade receivables which have significant increase in credit risk**			
	Not due	-	-	-
	Less than 6 months	-	68.54	-
	6 months - 1 year	0.08	22.32	-
	1-2 years	64.76	0.10	0.10
	2-3 years	2.04	-	-
	More than 3 years	17.16	-	-
	Sub-total	**84.04**	**90.96**	**0.10**
(c)	**Disputed Trade Receivables-considered good**			
	Not due	-	-	-
	Less than 6 months	-	-	-
	6 months - 1 year	-	-	-
	1-2 years	-	-	-
	2-3 years	-	2.74	1.22
	More than 3 years	-	1.82	1.40
	Sub-total	**-**	**4.56**	**2.62**
(d)	**Disputed Trade Receivables-credit impaired**			
	Not due	-	-	-
	Less than 6 months	-	-	-
	6 months - 1 year	-	-	-
	1-2 years	-	-	-
	2-3 years	-	12.92	-
	More than 3 years	-	-	-
	Sub-total	**-**	**12.92**	**-**
	Less: Allowance for doubtful trade receivables (expected credit loss allowance)	(84.04)	(103.88)	(0.10)
	Total	**1,373.11**	**1,235.87**	**1,224.24**

(v) The Group recognises allowance for expected credit loss on trade receivables, which are assessed for credit risk on individual basis.

(vi) The management has established a credit policy under which each customer is analysed individually for creditworthiness.

(vii) Trade receivables have been pledged against secured term loan and cash credit facility (Refer note no. 18)

(viii) There were no receivables due from directors or any of the officers of the Group.

(ix) Relationship with Struck off Companies: The following table depicts the details of balances oustanding in respect of transaction undertaken with a Company struck off under section 248 of the Companies Act, 2013:

Name of struck off Company / Nature of Transaction	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Jasper Infotech Private Limited / Sale of Goods	-	0.23	0.23
Meenakshi India Limited / Sale of Goods	-	0.00	0.00

(All amounts in Millions, unless otherwise stated)

15 Cash and cash equivalents

For the purpose of statement of cashflows, cash and cash equivalents includes cash on hand and balance in banks. cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash on hand	4.61	4.37	4.92
Balance with Banks			
In current accounts	72.63	58.23	43.86
In demand deposit accounts			
- Having maturity less than 3 months	-	300.10	200.00
- Having maturity more than 3 months	4.11	143.84	3.70
Other bank balances			
In earmarked deposit accounts	7.72	7.52	7.20
Total	**89.07**	**514.06**	**259.68**

Note:
Cash and cash equivalents have been pledged against secured term loan and cash credit facility (Refer note no. 18)

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16 Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount	Number	Amount
Authorised share capital						
Equity share capital						
Equity Shares of Rs. 10 each with voting rights (Refer note no. 47.3)	1,40,00,000	140.00	50,00,000	50.00	50,00,000	50.00
Total	**1,40,00,000**	**140.00**	**50,00,000**	**50.00**	**50,00,000**	**50.00**
Issued share capital						
Equity Shares of Rs. 10 each with voting rights (Refer note no. 47.3)	32,15,094	32.15	31,92,037	31.92	31,92,037	31.92
Total	**32,15,094**	**32.15**	**31,92,037**	**31.92**	**31,92,037**	**31.92**
Subscribed and Paid-up share capital						
Equity Shares of Rs. 10 each with voting rights (Refer note no. 47.3)	32,15,094	32.15	31,92,037	31.92	31,92,037	31.92
Total	**32,15,094**	**32.15**	**31,92,037**	**31.92**	**31,92,037**	**31.92**

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number	Amount	Number	Amount	Number	Amount
Equity shares with voting rights						
At the beginning of the year	31,92,037	31.92	31,92,037	31.92	31,92,037	31.92
Shares issued during the year	23,057	0.23	-	-	-	-
At the end of the year	**32,15,094**	**32.15**	**31,92,037**	**31.92**	**31,92,037**	**31.92**

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b. Details of shares held by each shareholder holdinq more than 5% shares

Class of shares / Name of the shareholder	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with votinq rights						
Mrs. Poonam Khushlani	9,08,219	28.25%	9,08,219	28.45%	9,08,219	28.45%
Mr. Kamal Khushlani	11,13,021	34.62%	11,13,021	34.87%	11,13,021	34.87%
M/s. Bennett, Coleman & Company Limited	4,06,399	12.64%	3,00,000	9.40%	3,00,000	9.40%
M/s. Bella Properties Private Limited	2,51,563	7.82%	2,51,563	7.88%	2,51,563	7.88%

c. Details of shares held by promoters at the end of the year *

Class of shares / Name of the shareholder	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with votinq rights						
Mrs. Poonam Khushlani	9,08,219	28.25%	9,08,219	28.45%	9,08,219	28.45%
(Percentage change during the year)		0.20%		0.00%		0.00%
Mr. Kamal Khushlani	11,13,021	34.62%	11,13,021	34.87%	11,13,021	34.87%
(Percentage change during the year)		0.25%		0.00%		0.00%

* Promoters means promoters as defined in Companies Act, 2013.

d. Shares reserved for issuance towards outstanding employee stock options granted / available for grant:

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount	Number	Amount
Equity Shares of Rs. 10 each with voting rights (Refer note no. 47.3)	1,40,036	1.40	1,63,093	1.63	1,53,093	1.53

e. Rights, preferences and restrictions attached to equity shares

The Group has only one class of equity shares having a par value of Rs. 10 each (Refer note no. 47.3). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Group, holder of equity shares will be entitled to receive remaining assets of the Group after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(All amounts in Millions, unless otherwise stated)

17 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Securities Premium	159.14	147.85	147.85
Share option outstanding account	9.02	18.02	6.72
Retained earnings	2,613.20	2,159.47	1,736.84
Total	**2,781.36**	**2,325.34**	**1,891.41**

(i) Securities Premium

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	147.85	147.85	147.85
Issue of shares	-	-	-
Transfer from share option outstanding account	11.29	-	-
Balance as at end of the year	**159.14**	**147.85**	**147.85**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Share option outstanding account

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	18.02	6.72	-
Modification of Employee stock option plan	-	-	-
Recognition of share based payments	2.29	11.30	6.72
Transfer to Share premium	(11.29)	-	-
Balance as at end of the year	**9.02**	**18.02**	**6.72**

The above reserve relates to share option granted by the Group to its employees under its employee share option plan. Further information about share - based payments to employees is set out in note no. 37.

(iii) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	2,159.47	1,736.84	1,697.48
Add / (Less): Impact on account of different transition date of April 1, 2021	-	58.45	-
Add: Profit for the year	775.14	357.40	34.41
Less: Payment of dividends (including dividend distribution tax)	(321.51)	-	-
Add: Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax)	0.10	6.78	4.95
Balance as at end of the year	**2,613.20**	**2,159.47**	**1,736.84**

Retained earnings comprises of the amounts that can be distributed by the Group as dividends to its equity share holders.

(All amounts in Millions, unless otherwise stated)

18 Borrowings

	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Secured - at amortised cost			
	Non-current borrowings			
(a)	Term loans from bank (Refer note 1 below)	67.55	100.79	134.04
	Total	**67.55**	**100.79**	**134.04**
	Current borrowings			
(a)	**Current maturities of long-term borrowings (secured)**			
	Term loans from bank (Refer note 1 below)	33.24	33.24	16.62
	Vehicle loans from others (Refer note 2 below)	-	-	1.00
		33.24	33.24	17.62
(b)	**Other Borrowings**			
	Loan From Directors	-	0.61	0.61
		-	0.61	0.61
	Total	**33.24**	**33.85**	**18.23**

Note:

1 Term loans

1.1 Interest

Interest rate on term loans shall be calculated at a sum of the 6 Month MCLR of Kotak Mahindra Bank Limited plus 20 basis points. The interest rate is subject to changes on the base rate of Reserve Bank of India from time to time.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Interest rate	7.85%	6.03%	7.45%

1.2 Repayment terms

The repayment schedule of outstanding balances of term loans is as under:

Repayable in	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
2021-2022	-	-	16.62
2022-2023	-	33.24	33.24
2023-2024	33.24	33.24	33.24
2024-2025	33.24	33.24	33.24
2025-2026	34.31	34.31	34.31
Total	**100.79**	**134.03**	**150.65**

1.3 Security

Term loan are secured by hypothecation of entire current assets, movable and immovable assets of the Group.

1.4 Prepayment terms

Prepayment of term loan prior to completion of tenure shall attract a penal charge.

2 Vehicle loans

2.1 Interest

Interest rate on vehicle loans shall be calculated at 9.05% - 9.52% per annum. The interest rate is given in a range which is depending upon the rate at which loan is taken from different banks or financial institutions.

2.2 Repayment terms

The repayment schedule of outstanding balances of vehicle loans is as under:

Repayable in	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
2021-2022	-	-	1.00
Total	**-**	**-**	**1.00**

2.3 Security

Vehicle loans are secured by first and exclusive charge on respective vehicles.

3 Cash credit facility

Cash credit from banks are secured by hypothecation of existing current assets and immovable assets of the Group.

4 Working capital demand loan

Working capital facilities and other fund based facilities i.e. working capital demand loan and are secured by hypothecation of inventories, book debts and receivables.

19 Other financial liabilities (carried at amortised cost)

	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Non-Current			
(a)	Security deposits received	355.36	316.46	281.51
	Total	**355.36**	**316.46**	**281.51**
	Current			
(b)	Creditors for capital goods	17.49	4.97	4.69
(c)	Interest accrued but not due on borrowings	0.72	0.92	1.09
(d)	Interest accrued and due on security deposits	5.09	4.71	4.33
(e)	Others	-	-	0.10
	Total	**23.30**	**10.60**	**10.21**

(All amounts in Millions, unless otherwise stated)

20 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Non-Current			
Provision for employee benefits:			
Provision for gratuity (Refer note no. 36)	38.16	35.35	42.27
Total	**38.16**	**35.35**	**42.27**
Current			
Provision for employee benefits:			
Provision for compensated absences	2.25	2.20	2.71
Provision for gratuity (Refer note no. 36)	5.04	3.31	2.02
Other provisions			
Provision for loyalty points	18.54	12.76	9.17
Provision for corporate social responsibility	-	-	9.84
Total	**25.83**	**18.27**	**23.74**

Customer Loyalty Points

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	12.76	9.17	7.65
Deferred during the year	18.54	12.76	9.17
Released to the statement of Profit and Loss	(12.76)	(9.17)	(7.65)
As at the end of the year	**18.54**	**12.76**	**9.17**

The Group estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model includes making assumptions about expected redemption basis the Group's historic trends of redemption and expiry period of the points and such estimates are subject to significant uncertainty.

Corporate social responsibility

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	-	9.84	24.84
Add: Provision created during the year	-	-	9.84
Less: Provision utilised during the year	-	(9.84)	(24.84)
As at the end of the year	**-**	**-**	**9.84**

21 Other liabilities

	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Current			
(a)	Advances from customers	9.49	18.13	10.38
(b)	Statutory dues	27.02	29.39	18.10
(c)	Refund liability for expected sales return (Refer note below)	108.31	66.04	43.79
	Total	**144.82**	**113.56**	**72.27**

Note:
Other current liabilities include refund liability relating to customers' right to return products as per Group's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Group uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

22 Trade payables

	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i)	Total outstanding dues of micro enterprises and small enterprises	118.26	85.11	57.32
		118.26	**85.11**	**57.32**
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	275.15	223.53	248.53
(iii)	Accrued payroll	31.27	57.87	41.08
		306.42	**281.40**	**289.61**
	Total	**424.68**	**366.51**	**346.93**

Note:
(i) The average credit period on purchases of goods and services are within 30 to 75 days.
(ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
	Principal	115.07	82.96	57.05
	Interest	0.01	0.01	-
(b)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	2.31	1.72	0.27
(d)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	2.32	1.73	0.27
(e)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	0.87	0.41	0.00

Dues to Micro and Small Enterpnses (MSME) have been determined to the extent such parties have been Identified on the basis of Information collected by the Management. This has been relied upon by the auditors.

(All amounts in Millions, unless otherwise stated)

(iii) Trade payable analysis

Outstanding for following periods from date of transaction

	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a)	**Undisputed dues**			
	Micro, small and medium enterprises			
	Not due	-	-	-
	Less than 1 year	118.26	84.61	56.87
	1-2 years	-	0.03	0.17
	2-3 years	-	-	-
	More than 3	-	-	-
		118.26	**84.64**	**57.04**
	Others			
	Not due	-	-	-
	Less than 1 year	270.41	219.14	245.50
	1-2 years	1.63	1.76	1.48
	2-3 years	1.26	-	-
	More than 3	1.85	-	-
		275.15	**220.90**	**246.98**
	Sub Total (a)	**393.41**	**305.54**	**304.02**
(b)	**Disputed dues**			
	Micro, small and medium enterprises			
	Not due	-	-	-
	Less than 1 year	-	-	-
	1-2 years	-	-	-
	2-3 years	-	0.18	0.15
	More than 3	-	0.29	0.13
		-	**0.47**	**0.28**
	Others			
	Not due	-	-	-
	Less than 1 year	-	-	-
	1-2 years	-	-	-
	2-3 years	-	1.09	0.83
	More than 3	-	1.54	0.72
		-	**2.63**	**1.55**
	Sub Total (b)	**-**	**3.10**	**1.83**
	Total (a+b)	**393.41**	**308.64**	**305.85**

(iv) Relationship with Struck off Companies: During the current and previous financial year, Group doesn't have any transactions and outstanding balances with struck off Companies.

23 Current tax liabilities/(assets)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Income tax liability (net of advance tax and tax deduted at source)	-	-	28.36
Total	**-**	**-**	**28.36**

(All amounts in Millions, unless otherwise stated)

24 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products	4,981.82	3,411.72	2,448.26
Total	**4,981.82**	**3,411.72**	**2,448.26**

Reconciliation of revenue recognised with contract price :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from sale of products (gross) at contract price	5,439.28	3,699.57	2,927.49
Less:			
Provision for Sales Return	(42.27)	(22.24)	31.25
Customer Loyalty Points & Gift Vouchers	(29.22)	(18.06)	(22.21)
Discount	(385.97)	(247.55)	(488.27)
Net revenue from sale of products	**4,981.82**	**3,411.72**	**2,448.26**

25 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest received			
Financial assets measured at amortised cost			
Bank deposits	9.54	16.82	2.83
Security deposits	12.95	10.60	10.77
Income tax	0.41	-	0.91
Others	33.68	0.25	0.55
(b) Other gains and losses			
Rental income (Refer note no. 6 (i))	4.25	2.66	1.48
Insurance claim received	-	12.62	-
Net gain on foreign currency transactions and translation other than considered as finance costs	-	0.00	0.02
Covid-19 related rent concession (Refer note no. 5)	3.58	79.20	135.78
Discount received	14.71	11.77	10.89
Sundry balances written back	3.00	0.08	0.01
Excess provisions written back	29.25	2.60	-
Miscellaneous income	0.03	0.03	0.04
Total	**111.40**	**136.63**	**163.28**

26 Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Opening stock (including Goods-in-transit)	51.91	47.48	60.95
Add: Purchase of Raw Materials	287.27	162.11	137.49
	339.18	209.59	198.44
Less: Closing stock (including Goods-in-transit)	(60.71)	(51.91)	(47.48)
Total (a)	278.47	157.68	150.96
(b) Purchases of stock-in-trade	2,308.79	1,379.84	1,098.56
Total	**2,587.26**	**1,537.52**	**1,249.52**

27 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Closing stock			
Finished goods and stock-in-trade	1,073.32	605.47	538.62
	1,073.32	**605.47**	**538.62**
(b) Opening stock			
Finished goods and stock-in-trade	605.47	538.62	539.49
	605.47	**538.62**	**539.49**
Total	**(467.85)**	**(66.85)**	**0.87**

28 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages	245.41	261.67	191.56
(b) Share based payments to employees (Refer note no. 37)	2.29	11.30	6.72
(c) Contribution to provident and other funds	2.96	4.23	5.36
(d) Gratuity expenses (Refer note no. 36)	6.72	8.47	10.19
(e) Staff welfare expenses	10.25	6.09	4.50
Total	**267.63**	**291.76**	**218.33**

(All amounts in Millions, unless otherwise stated)

29 Finance costs

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Interest expenses for financial liabilities (classified at amortised cost)			
	Borrowings	8.96	9.97	23.28
	Trade payables	3.19	2.14	0.27
	Security deposits	22.00	20.41	19.70
(b)	Interest on lease liabilities (Refer note no. 37)	115.25	101.85	112.18
(c)	Interest on delayed payment of taxes	6.81	2.97	1.52
(d)	Others	21.27	13.08	10.25
	Total	**177.48**	**150.42**	**167.20**

30 Depreciation and amortisation expense

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Depreciation on property, plant and equipment (Refer note no. 5(a))	146.16	123.32	123.89
(b)	Depreciation on right of use assets (Refer note no. 5(b))	387.09	334.54	315.04
(c)	Depreciation on investment properties (Refer note no. 6)	0.38	0.38	0.38
(d)	Amortisation of intangible assets (Refer note no. 7)	0.67	0.61	1.50
	Total	**534.30**	**458.85**	**440.81**

31 Other expenses

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Power and fuel	25.66	15.74	13.71
(b)	Rent (Refer note no. 5)	47.68	40.61	38.57
(c)	Repair and maintenance	5.31	4.44	3.02
(d)	Insurance expenses	9.84	6.26	6.20
(e)	Rates and taxes	16.17	20.03	21.19
(f)	Communication	7.60	5.31	6.71
(g)	Travelling and conveyance	43.24	21.38	14.50
(h)	Printing and stationery	2.62	1.66	1.62
(i)	Freight charges	41.78	35.75	30.36
(j)	Sales commission and brokerage	149.07	121.75	102.83
(k)	Advertisement and sales promotion	173.64	22.31	15.02
(l)	Net loss on foreign currency transactions and translation other than considered as finance costs	0.00	-	-
(m)	Legal and professional	52.89	29.73	30.47
(n)	Payments to auditors (Refer note below)	7.97	3.00	2.68
(o)	Expenditure on corporate social responsibility	6.40	4.30	5.37
(p)	Loss on property, plant and equipment sold / scrapped / written off	4.05	6.31	11.60
(q)	Computer and Software Charges	11.94	8.67	8.95
(r)	Labour charges	5.03	4.91	4.03
(s)	Security charges	8.44	7.95	8.03
(t)	Store Expenses	73.05	59.77	52.36
(u)	Courier Charges	7.85	5.39	6.49
(v)	Manpower Expenses	226.66	153.68	106.71
(w)	Bad debts written off	0.23	-	-
(x)	Security deposit written off	4.88	-	-
(y)	Allowance for expected credit loss	9.41	103.88	0.10
(z)	Allowance for doubtful deposits	1.43	7.72	-
(aa)	Miscellaneous expenses	13.44	7.77	4.21
	Total	**956.28**	**698.32**	**494.73**

Note:
Payment to auditors comprise (net of tax input credit, where applicable):

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
	To Statutory auditors for:			
(a)	For Audit	4.31	3.00	2.68
(b)	For Taxation matters	-	-	-
(c)	For Other services	3.61	-	-
(d)	Reimbursement of expenses	0.05	-	-
	Total	**7.97**	**3.00**	**2.68**

(All amounts in Millions, unless otherwise stated)

32 Tax expense

(i) Income tax recognised in restated Consolidated statement of profit or loss

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Current tax	309.05	187.38	50.01
(b)	Short/(Excess) provision of income tax of earlier years	(1.42)	(6.52)	(6.16)
(c)	Deferred tax	(44.65)	(59.93)	(38.18)
	Total	**262.98**	**120.93**	**5.67**

(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	1,038.12	478.33	40.08
Tax Rate	25.17%	25.17%	25.17%
Income tax expense calculated	261.27	120.39	10.09
Adjustment			
Expense that are not deductible in determining taxable profit	3.68	2.00	1.46
Short/(Excess) provision of income tax of earlier years	(1.42)	(6.52)	(6.16)
Others	(0.55)	5.06	0.28
	1.71	0.54	(4.42)
Income tax expense recognised in restated Consolidated statement of profit or loss	**262.98**	**120.93**	**5.67**

(iii) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax arising on expense recognised in other comprehensive income:	0.03	2.28	1.67
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	-	-	-
Total	**0.03**	**2.28**	**1.67**

33 Contingent liabilities and commitments (to the extent not provided for)

	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
A.	**Contingent Liabilities**			
	Claims against the Group not acknowledged as debts (Refer note (i) below)			
	Demand raised by income tax authorities	4.00	4.38	-
	Bonus liablity for the FY 2014-15 pending settlement with judiciary authorities	3.87	3.87	3.87
	Claims against Group not acknowledged as debt	3.71	2.29	-
B.	**Commitments**			
	Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances) (Refer note (ii) below)	11.12	11.66	4.39

Note:

(i) No provision is considered necessary since the Group expects favourable decisions.

(ii) Apart from the commitments disclosed above, the Group has no financial commitments other than those in the nature of regular business operations.

(iii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(All amounts in Millions, unless otherwise stated)

34 Segment Reporting

The Group is primarily engaged in the business of retailing of men's casual wear under its Brand MUFTI, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment.

There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended March 31, 2023, March 31, 2022 and March 31, 2021, revenue from transactions with a single external customer did not amount to 10 percent or more of the Group's revenues from the external customers.

35 Earnings per share ('EPS')

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share			
Restated Profit for the year (A)	**775.14**	**357.40**	**34.41**
Weighted Number of equity shares at the end of the year	32,08,398	31,92,037	31,92,037
Add: Bonus shares issued (Refer note (i) below)	96,45,282	95,76,111	95,76,111
Add: Shares increased on account of sub-division (Refer note (ii) below)	5,14,41,504	5,10,72,592	5,10,72,592
Weighted average number of shares outstanding during the year for Basic EPS (B)	**6,42,95,184**	**6,38,40,740**	**6,38,40,740**
Basic earnings per share in Rs. (C=A/B)	**12.06**	**5.60**	**0.54**
Diluted earnings per share			
Restated Profit for the year (A)	**775.14**	**357.40**	**34.41**
Weighted average number of shares outstanding during the year for Basic EPS	6,42,95,184	6,38,40,740	6,38,40,740
Add: Weighted average number of potential equity shares*	-	4,51,720	-
Weighted average number of equity shares for Diluted EPS (B)	**6,42,95,184**	**6,42,92,460**	**6,38,40,740**
Diluted earnings per share in Rs. (C=A/B)	**12.06**	**5.56**	**0.54**

*Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not anti-dilutive. The shares vested during the year ended March 31, 2023 are anti-dilutive in nature and hence, not considered for the calculation of diluted earning per share. The stock options are not included in the determination of basic earnings per share.

Notes:

(i) The Group has allotted 96,45,282 fully paid-up shares of face value Rs. 10 each on April 7, 2023, pursuant to bonus issue approved by the shareholders in the Extraordinary General Meeting dated February 14, 2023. For the bonus issue, bonus share of three equity share for every one equity shares held, has been allotted.

(ii) The Shareholders in their Extraordinary General Meeting dated April 18, 2023 approved sub-division of each authorised and issued equity shares of face value Rs. 10 into five equity shares of face value of Rs. 2 each.

(All amounts in Millions, unless otherwise stated)

36 Employee benefit plans

Disclosure on Retirement Benefits as required in Indian Accounting Standard (Ind AS) 19 on "Employee Benefits" are given below:

A. Defined Contribution Plan

The Group's contribution to Provident & Other Funds is Rs. 2.96 Millions For the year ended March 31, 2023 (for the year ended March 31, 2022: Rs. 4.23 Millions), (for the year ended March 31, 2021: Rs. 5.36 Millions) has been recognised in the Statement of Profit and Loss under the head employee benefits expense.

B. Defined Benefit Plan:

Gratuity

(a) The Group offers to its employees unfunded defined-benefit plan in the form of a gratuity scheme. Benefits under the unfunded defined-benefit plans are based on years of service and the employees' compensation (immediately before retirement). Benefits payable to eligible employees of the Group with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

(b) This plan typically exposes the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest Risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

(c) Significant Actuarial Assumtions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Particulars	Valuation		
		As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2021**
(i)	Discount rate(s)	7.48%	6.98%	6.44%
(ii)	Expected rate(s) of salary increase	10.00%	10.00%	10.00%
(iii)	Mortality table used	IALM (2012-14) Urban	IALM (2012-14) Urban	IALM (2006-08) Ultimate
(iv)	Attrition rate			
	Service 1 year and below	35.00% p.a.	35.00% p.a.	35.00% p.a.
	Service 2 years to 3 years	21.00% p.a.	21.00% p.a.	21.00% p.a.
	Service 4 years to 5 years	10.00% p.a.	10.00% p.a.	10.00% p.a.
	Service 6 years & above	5.00% p.a.	5.00% p.a.	5.00% p.a.

The discount rate is based on prevailing market yields of Government of India bonds as at the balance sheet date for the expected term of obligation. The estimates of future salary increases considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

(d) The following tables sets out the unfunded status of the defined benefit scheme in respect of gratuity:

	Particulars	Gratuity		
		As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2021**
I.	**Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:**			
(i)	Current Service Cost	4.02	5.61	6.75
(ii)	Past service cost and (gains)/losses from settlements	-	-	-
(iii)	Net interest expense	2.70	2.85	3.44
	Components of defined benefit costs recognised in profit or loss	**6.72**	**8.46**	**10.19**
	Remeasurement on the net defined benefit liability			
(i)	Actuarial (gains)/loss arising from changes in financial assumptions	(1.76)	(2.10)	1.80
(ii)	Actuarial (gains)/loss arisinq from changes in demoqraphic assumptions	-	0.02	-
(iii)	Actuarial (gains)/loss arising from experience adjustments	1.63	(6.98)	(8.42)
	Components of defined benefit costs recognised in other comprehensive income	**(0.13)**	**(9.06)**	**(6.62)**
	Total	**6.59**	**(0.60)**	**3.57**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in 'Other comprehensive income'.

(All amounts in Millions, unless otherwise stated)

II. Net Asset/(Liability) recognised in the Balance Sheet

	Particulars	Gratuity		
		As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2021**
(i)	Present value of defined benefit obligation	(43.20)	(38.66)	(44.29)
(ii)	Fair value of plan assets	-	-	-
(iii)	Surplus	**(43.20)**	**(38.66)**	**(44.29)**
(iv)	Current portion of the above	(5.04)	(3.31)	(2.02)
(v)	Non current portion of the above	(38.16)	(35.35)	(42.27)

III. Change in the obligation during the year

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation at the beqinninq of the year	38.66	44.29	50.47
Expenses Recognised in Profit and Loss Account			
Current Service Cost	4.02	5.61	6.75
Past Service Cost	-	-	-
Interest Expense (income)	2.70	2.85	3.44
Recoqnised in Other Comprehensive Income			
Remeasurement gains / (losses)			
Actuarial Gain (Loss) arisinq from:			
i. Financial Assumptions	(1.76)	(2.10)	1.80
ii. Demoqraphic Assumptions	-	0.02	-
iii. Experience Adjustments	1.63	(6.98)	(8.42)
Benefit payments	(2.05)	(5.03)	(9.75)
Present value of defined benefit obligation at the end of the year	**43.20**	**38.66**	**44.29**

(e) Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant:

	Particulars	Changes in assumption	Impact on defined benefit obliqation	
			Increase in assumption	**Decrease in assumption**
(i)	**Discount rate**			
	As at March 31, 2023	1%	(3.29)	2.81
	As at March 31, 2022	1%	(3.45)	4.03
	As at March 31, 2021	1%	(4.51)	5.35
(ii)	**Salary growth rate**			
	As at March 31, 2023	1%	2.69	(2.55)
	As at March 31, 2022	1%	2.96	(2.77)
	As at March 31, 2021	1%	4.17	(3.76)
(iii)	**Rate of employeee turnover**			
	As at March 31, 2023	1%	(0.33)	0.36
	As at March 31, 2022	1%	(0.50)	0.56
	As at March 31, 2021	1%	(1.01)	1.14

Note:

I. The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

II. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(All amounts in Millions, unless otherwise stated)

37 Share-based payments

A. Credo ESOP 2020

a. The shareholders of the Group, vide special resolution dated November 5, 2020, authorised the Board to grant options under one of more stock option plans. Pursuant to the said approval from the shareholders the Board adopted Credo ESOP 2020 and granted options to the permanent employees of the Group for the first time on November 6, 2020 and second time on November 6, 2021.

The Group has used the Fair Value Method by applying Black and Scholes Option Pricing Model to account for share-based payments plan.

b. Options granted would vest over a maximum period of 5 years, while the exercise period is 10 years from the date of grant. Options vest on account of passage of time as well as on fulfilling certain performance criteria. The options exercised would be settled in Equity.

c. There were no modification to the awards during the year ended March 31, 2023, March 31, 2022 and March 31, 2021. As at the end of the financial year, details and movement of the outstanding options are as follows:

As at March 31, 2023

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Options granted under ESOP				
Options outstanding at the beginning of the year	23,057.00	92,074.00	37,962.00	10,000.00
Options granted during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options exercised during the year	23,057.00	-	-	-
Options expired during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options outstanding at the end of the year	-	92,074.00	37,962.00	10,000.00
Options exerciseable at the end of the year	-	51,671.00	19,827.00	2,000.00
Exercise price of the outstanding options (Rs.)	-	627.00	627.00	627.00
Remaining contractual life of the outstanding options (years)	-	7.85	7.85	8.85
Dividend yield (%)	0.39%	0.39%	0.39%	0.39%
Expected Life (Time to Maturity)	5.50	6.16	6.08	6.50
Risk free interest rate (%)	5.44%	5.58%	5.61%	6.12%
Volatility*	15.00%	15.00%	15.00%	15.00%
Weighted average fair value	489.71	157.71	99.79	124.93

As at March 31, 2022

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Option granted under ESOP				
Option outstanding at the beginning of the year	23,057	92,074	37,962	-
Options granted during the year	-	-	-	10,000
Options forfeited during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options expired during the year	-	-	-	-
Options forfeitied during the year	-	-	-	-
Options outstanding at the end of the year	23,057	92,074	37,962	10,000
Options exerciseable at the end of the year	23,057.00	31,845.00	11,135.00	-
Exercise price of the outstanding options (Rs.)	10.00	627.00	627.00	627.00
Remaining contractual life of the outstanding options (years)	8.61	8.61	8.61	8.61
Dividend yield (%)	0.39%	0.39%	0.39%	0.39%
Expected Life (Time to Maturity)	5.50	6.16	6.08	6.50
Risk free interest rate (%)	5.44%	5.58%	5.61%	6.12%
Volatility*	15.00%	15.00%	15.00%	15.00%
Weighted average fair value	489.71	157.71	99.79	124.93

As at March 31, 2021

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Option granted under ESOP				
Option outstanding at the beginning of the year	-	-	-	-
Options granted during the year	23,057	92,074	37,962	-
Options forfeitied during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options expired during the year	-	-	-	-
Options forfeitied during the year	-	-	-	-
Options outstanding at the end of the year	23,057	92,074	37,962	-
Options exerciseable at the end of the year	-	-	-	-
Exercise price of the outstanding options (Rs.)	10.00	627.00	627.00	-
Remaining contractual life of the outstanding options (years)	9.61	9.61	9.61	-
Dividend yield (%)	0.39%	0.39%	0.39%	0.00%
Expected Life (Time to Maturity)	5.50	6.16	6.08	-
Risk free interest rate (%)	5.44%	5.58%	5.61%	0.00%
Volatility*	15.00%	15.00%	15.00%	0.00%
Weighted average fair value	489.71	157.71	99.79	-

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.
The Expected life of the share option is based on historical data and Current expectation and is not necessarily indicative of exercise pattern that may occur.

38 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the group as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Amount required to be spent by the group during the year	6.16	4.23	5.12
(b)	Amount of expenditure incurred	(6.40)	(4.30)	(5.37)
(c)	Short / (Excess) amount spent	(0.24)	(0.07)	(0.25)
(d)	Nature of CSR Activities	Women empowerment and skill development		
(e)	Details of related party transactions	-	-	-
(f)	Where a provision is made with report to a liability incurred by entering into a contractual obligation, the movements in the provision	Not Applicable		

Note :

(i) As per section 135 of the Companies Act, 2013, the amount required to be spent by the group during the year is disclosed above.

(All amounts in Millions, unless otherwise stated)

39 Related party transactions and balances

a. Names of related parties and related party relationships

I. Key management personnel
(a) Mr. Kamal Khushlani (Chairman and Managing Director)
(b) Mrs. Poonam Khushlani (Whole-time Director)
(c) Mr. Amer Jaleel (Independent Director) w.e.f. November 5, 2020
(d) Mr. Rasik Mittal (CFO)
(e) Mr. Sanjay Kumar Mutha (Company Secretary) w.e.f. April 7, 2023

II. Relatives of key management personnel
(a) Ms. Sonakshi Khushlani (Daughter of Mr. Kamal and Mrs. Poonam Khushlani)
(b) Mr. Andrew Khushlani (Son of Mr. Kamal and Mrs. Poonam Khushlani)

b. Related party transactions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Transactions during the year			
Advance against Investment			
Shares of KAPS Mercantile Private Limited purchased from			
Mr. Kamal Khushlani	-	0.05	-
Mrs. Poonam Khushlani	-	0.05	-
Remuneration			
Mr. Kamal Khushlani	36.20	29.55	7.34
Mrs. Poonam Khushlani	5.04	7.19	2.81
Ms. Sonakshi Khushlani	1.79	2.12	1.22
Mr. Andrew Khushlani	0.71	0.58	0.23
Mr. Rasik Mittal	10.00	10.00	6.32
Mr. Sanjay Kumar Mutha	-	-	-
Interest on loan			
Mr. Kamal Khushlani	0.06	0.06	0.05
Mrs. Poonam Khushlani	0.06	0.05	0.05
Reimbursement of Expenses			
Mr. Kamal Khushlani	0.87	0.77	0.04
Ms. Sonakshi Khushlani	-	-	0.02
Mr. Rasik Mittal	0.45	-	-
Interim Dividend Paid			
Mr. Kamal Khushlani	111.30	-	-
Mrs. Poonam Khushlani	90.82	-	-
Ms. Sonakshi Khushlani	9.57	-	-
Mr. Andrew Khushlani	9.57	-	-
Mr. Rasik Mittal	0.75	-	-
Issue of Equity Shares under ESOP			
Mr. Rasik Mittal	0.08	-	-
Sitting Fees			
Mr. Amer Jaleel	0.20	0.20	0.05

(All amounts in Millions, unless otherwise stated)

39 Related party transactions and balances

c. Related party outstanding balances

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Outstanding Loan			
Mr. Kamal Khushlani	-	0.31	0.31
Mrs. Poonam Khushlani	-	0.30	0.30
Interest Accrued			
Mr. Kamal Khushlani	-	0.11	0.06
Mrs. Poonam Khushlani	-	0.11	0.06
Remuneration Payable			
Mr. Kamal Khushlani	12.25	8.93	0.14
Mrs. Poonam Khushlani	0.19	1.47	0.30
Ms. Sonakshi Khushlani	0.13	0.34	0.09
Mr. Andrew Khushlani	0.10	0.03	0.04
Mr. Rasik Mittal	0.71	1.22	0.62
Sitting Fees			
Mr. Amer Jaleel	0.05	0.05	0.05

d. Transactions and outstanding balances within the Group that are eliminated in Restated Consolidated Financial Information (as per Schedule VI(Para 11(I)(A)(i)(g) of ICDR Regulations):

i. Transactions during the year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
In the Books of Credo Brands Marketing Limited			
Investment in Equity Share Capital			
KAPS Mercantile Private Limited	21.30	-	-
Security Deposit Given / (Received Back)			
KAPS Mercantile Private Limited	(20.00)	-	-
In the Books of KAPS Mercantile Private Limited			
Equity Share Capital			
Credo Brands Marketing Limited	21.30	-	-
Security Deposit (Received) / Paid Back			
Credo Brands Marketing Limited	20.00	-	-

ii. Outstanding Balances

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
In the Books of Credo Brands Marketing Limited			
Equity Share Capital			
KAPS Mercantile Private Limited	21.40	-	-
Security Deposit Given			
KAPS Mercantile Private Limited	-	20.00	20.00
In the Books of KAPS Mercantile Private Limited			
Equity Share Capital			
Credo Brands Marketing Limited	21.40	-	-
Security Deposit Received			
Credo Brands Marketing Limited	-	20.00	20.00

e. Compensation of key management personnel

The remuneration of directors and other members including relatives of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term benefits	53.74	49.44	17.92
Total	**53.74**	**49.44**	**17.92**

Note :

(i) The above figure do not include provisions for encashable leave as separate acturial valuations are not available.

(ii) As the liabilities for defined benefit plans are provided on actuarial basis for the Company, the amounts pertaining to Key Managerial Personnel are not included.

(All amounts in Millions, unless otherwise stated)

39 (b) Additional Information as required under schedule III to the Companies Act, 2013, of the enterprises consolidated as subsidiary are as given below

Name of Entity	Relationship	Net Assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
Credo Brands Marketing Limited									
March 31, 2023		100.00%	(2,813.49)	99.92%	774.46	100.00%	0.10	100%	774.56
March 31, 2022	Holding Company	100.03%	(2,357.92)	94.44%	337.46	100.00%	6.78	95%	344.24
March 31, 2021		101.07%	(1,943.89)	100.63%	34.63	100.00%	4.95	101%	39.58
KAPS Mercantile Private Limited									
March 31, 2023		0.01%	(0.41)	-0.10%	(0.79)	0.00%	-	0%	(0.79)
March 31, 2022	Subsidiary Company	-0.85%	20.10	-0.03%	(0.11)	0.00%	-	0%	(0.11)
March 31, 2021		-1.04%	19.98	-0.63%	(0.22)	0.00%	-	-1%	(0.22)
Consolidation Adjustments / Eliminations									
March 31, 2023		-0.02%	0.47	0.18%	1.40	0.00%	-	0%	1.40
March 31, 2022		0.82%	(19.43)	5.60%	20.00	0.00%	-	5%	20.00
March 31, 2021		-0.03%	0.57	0.00%	-	0.00%	-	0%	-
March 31, 2023		**100.00%**	**(2,813.43)**	**100.00%**	**775.07**	**100.00%**	**0.10**	**100.00%**	**775.17**
March 31, 2022	**Total**	**100.00%**	**(2,357.25)**	**100.00%**	**357.35**	**100.00%**	**6.78**	**100.00%**	**364.13**
March 31, 2021		**100.00%**	**(1,923.34)**	**100.00%**	**34.41**	**100.00%**	**4.95**	**100.03%**	**39.36**

(All amounts in Millions, unless otherwise stated)

40 Financial instruments
40.1 Capital Management

The Group's objective when managing capital is to safeguard its ability to continue as going concern so that the Group is able to provide maximum return to stakeholders, benefits to other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of total equity (Refer note no. 16 and 17) and net debt (Refer note no. 18 and 15).

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital, risks associated with each class of capital.

Gearing Ratio

Following is the Group's gearing ratio:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Debt (refer note (i))	1,919.14	1,542.48	1,441.28
Less: cash and bank balances	(81.35)	(506.54)	(252.48)
Net Debt (I)	**1,837.79**	**1,035.94**	**1,188.80**
Total equity (II)	2,813.51	2,357.26	1,923.33
Net debt to equity ratio (I/II)	65.32%	43.95%	61.81%

Note:
(i) Debt is defined as long-term and short-term borrowing and lease liabilities.
(ii) Net debt to equity ratio is restricted to zero percentage wherever cash and bank balance are more than debt.

40.2 Categories of financial instruments

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Financial assets			
Measured at amortised cost*			
(a) Investments	-	-	-
(b) Trade receivables	1,373.11	1,235.87	1,224.24
(c) Cash and cash equivalents	81.35	506.54	252.48
(d) Other bank balances	7.72	7.52	7.20
(e) Other financial assets	207.13	186.00	170.09
Financial liabilities			
Measured at fair value through profit or loss (FVTPL) (mandatorily measured)			
(a) Liability for share-based payments	9.02	18.02	6.72
Measured at amortised cost			
(a) Borrowings	100.79	134.64	152.27
(b) Lease liabilities	1,818.35	1,407.84	1,289.01
(c) Trade payables	424.68	366.51	346.92
(d) Other financial liabilities	378.67	327.06	291.72

At the end of the reporting period, the carrying amount reflected above represents the group's maximum exposure to credit risk for such Financial assets.

*The fair values of the above financial assets and liabilities approximate their carrying amounts.

(All amounts in Millions, unless otherwise stated)

40.3 Financial risk management objectives

Ensuring liquidity is sufficient to meet Group's operational requirements, the Group's management also monitors and manages key financial risks relating to the operations of the Group by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

40.3.1 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. Market risk includes currency risk, interest risk and price risk. There are no material market risk affecting the financial position of the Group.

40.3.1.1 Currency Risk

Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material currency risk affecting the financial position of the Group.

40.3.1.2 Interest Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligation and cash flow of a business. There are no material interest risk affecting the financial position of the Group.

40.3.1.3 Price Risk

Price risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. There are no material price risk affecting the financial position of the Group.

40.3.1.4 Foreign currency risk management

The Group undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Assets (INR)			
USD	0.06	0.05	0.05
HKD	0.00	0.00	0.00
SGD	0.00	0.00	0.00
Total	**0.06**	**0.05**	**0.05**
Liabilities (INR)			
USD	-	-	-
HKD	-	-	-
SGD	-	-	-
Total	**-**	**-**	**-**

Foreign currency sensitivity analysis

The Group is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables.

The following table details the Group's sensitivity to a 10% increase and decrease in the INR against the relevant outstanding foreign currency denominated monetary items. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where Rupee appreciates 10% against the relevant currency. A negative number below indicates a decrease in profit or equity where the Rupee depreciates 10% against the relevant currency.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Profit or (loss)			
INR strengthens by 10%	(0.01)	(0.01)	(0.01)
INR weakening by 10%	0.01	0.01	0.01

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

40.3.2 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The concentration of credit risk in relation to trade receivables is high. Credit risk has always been monitored and managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

Bank balances are held with reputed and creditworthy banking institutions.

<u>Financial instrument and cash deposit</u>

Credit risk is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by the Group periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(All amounts in Millions, unless otherwise stated)

40.3.3 Liquidity risk management

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Particulars	Weighted average effective interest rate(%)	Upto 1 year	More than 1 year	Total	Carrying Amount
As at March 31, 2023					
Non-Interest bearing					
Trade payables	0.00%	424.68	-	424.68	424.68
Other financial liabilities	0.00%	23.30	-	23.30	23.30
Variable Interest rate instruments					
Term loans from bank	7.85%	33.24	67.55	100.79	100.79
Lease Liabilities	7.47%	433.79	1,894.55	2,328.34	1,818.35
Fixed Interest rate instruments					
Security Deposit received	7.58%	-	355.36	355.36	355.36
Total		**915.01**	**2,317.46**	**3,232.47**	**2,722.48**
As at March 31, 2022					
Non-Interest bearing					
Trade payables	0.00%	366.51	-	366.51	366.51
Other financial liabilities	0.00%	10.60	-	10.60	10.60
Variable Interest rate instruments					
Term loans from bank	7.45%	33.24	100.80	134.04	134.04
Loan From Directors	15.00%	0.61	-	0.61	0.61
Lease Liabilities	8.59%	391.81	1,345.86	1,737.67	1,407.84
Fixed Interest rate instruments					
Security Deposit received	7.58%	-	316.46	316.46	316.46
Total		**802.77**	**1,763.12**	**2,565.89**	**2,236.06**
As at March 31, 2021					
Non-Interest bearing					
Trade payables	0.00%	346.92	-	346.92	346.92
Other financial liabilities	0.00%	10.21	-	10.21	10.21
Variable Interest rate instruments					
Term loans from bank	7.45%	16.62	134.04	150.66	150.66
Vehicle loans from others	9.52%	1.00	-	1.00	1.00
Loan From Directors	15.00%	-	0.61	0.61	0.61
Lease Liabilities	8.42%	342.16	1,288.79	1,630.95	1,289.01
Fixed Interest rate instruments					
Security Deposit received	7.58%	-	281.51	281.51	281.51
Total		**716.91**	**1,704.95**	**2,421.86**	**2,079.92**

Further table below set out the detail of additional undrawn facility that the Group has at its disposal to further reduce liquidity risk:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Undrawn cash credit limit	700.00	700.00	700.00
Undrawn overdue limit	-	-	-

CREDO BRANDS MARKETING LIMITED
(Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED)
Notes Forming part of the Restated Consolidated Financial Information
(All amounts in Millions, unless otherwise stated)

41 Ratios

Ratio	Formulae	March 31, 2023	March 31, 2022	March 31, 2021	% Variance (Mar-23)	% Variance (Mar-22)
Current Ratio						
Numerator	Current Assets	2,876.45	2,518.01	2,128.96		
Denominator	Current Liabilities	957.81	839.52	742.77		
		3.00	3.00	2.87	0.13%	4.64%
Debt-Equity Ratio (#)						
Numerator	Borrowings + Lease Liabilities	1,919.14	1,542.48	1,441.28		
Denominator	Shareholder's Equity	2,813.51	2,357.26	1,923.33		
		0.68	0.65	0.75	4.24%	-12.68%
Debt Service Coverage ratio (#)						
Numerator	Earnings available for debt service	1,486.92	966.67	642.42		
Denominator	Debt Service	643.96	510.39	785.13		
		2.31	1.89	0.82	21.91%	131.47%
Return on Equity Ratio*						
Numerator	Net Profits after taxes	775.14	357.40	34.41		
Denominator	Average Shareholder's Equity	2,585.38	2,140.30	1,900.29		
		29.98%	16.70%	1.81%	79.54%	822.25%
Inventory Turnover Ratio						
Numerator	Revenue from Operations	4,981.82	3,411.72	2,448.26		
Denominator	Average Inventory	895.70	621.73	593.26		
		5.56	5.49	4.13	1.36%	32.97%
Trade Receivables Turnover Ratio (@)						
Numerator	Revenue from Operations	4,981.82	3,411.72	2,448.26		
Denominator	Average Accounts Receivable	1,304.49	1,230.06	1,325.54		
		3.82	2.77	1.85	37.69%	50.17%
Trade Payables Turnover Ratio (^)						
Numerator	Total Purchases	2,596.06	1,541.95	1,236.05		
Denominator	Average Trade Payables	395.60	356.72	279.83		
		6.56	4.32	4.42	51.82%	-2.14%
Net Capital Turnover Ratio						
Numerator	Revenue from Operations	4,981.82	3,411.72	2,448.26		
Denominator	Average Working Capital	1,798.57	1,532.34	1,317.36		
		2.77	2.23	1.86	24.41%	19.80%
Net Profit Ratio (*)						
Numerator	Net Profits after taxes	775.14	357.40	34.41		
Denominator	Revenue from Operations	4,981.82	3,411.72	2,448.26		
		15.56%	10.48%	1.41%	48.53%	645.39%
Return on Capital Employed (*)						
Numerator	Earning before interest and taxes	1,215.60	628.75	207.28		
Denominator	Average Capital Employed	4,316.19	3,632.18	3,535.37		
		28.16%	17.31%	5.86%	62.70%	195.24%
Return on Investment						
Numerator	Earning before interest and taxes					
Denominator	Average of Total Investments	NA	NA	NA	NA	NA

41 Ratios

(*) Return / Profit related ratio:
There was reduction in profitability & sales due to outbreak of Covid-19 in the financial year 2020-21. Sales had increase by 39% in financial year 2021-22 in comparison with financial year 2020-21. However there was increase in expenses by only 19%. There is improvement in profitability & increase in sales as the impact of Covid reduced for financial year 2021-22 and 2022-23.

(#) Debt-Equity Ratio / Debt Service Coverage ratio
There is consistent improvement in Debt - Equity Ratio on account of repayment of existing borrowings and Company has not taken any fresh borrowings during the financial year 2021-22 and 2022-23. There is improvement in profitability due to Increase in sales for financial year 2021-22 and 2022-23. Interest cost on borrowings has reduced in the financial year 2021-22 and 2022-23.

(@) Trade Receivables Turnover Ratio
There is improvement in sales as the impact of Covid-19 has reduced for financial year 2021-22 and 2022-23. Further the company was able to make better collections keeping its debtors outstandings lower in financial year 2021-22 and 2022-23.

(^) Trade Payables Turnover Ratio
There is increase in purchase due to improvement in sales as the impact of Covid-19 has reduced for financial year 2022-23. Payment was done as per payment terms, earlier payment helped in gaining discount.

($) Inventory Turnover Ratio
There was decrease in Inventory turnover ratio in financial year 2020-21 on account of lower production due to Covid-19.

42 Other statutory information

(a) Title deeds of all immovable properties are held in the name of the Group.
(b) The Group has not revalued its Property, Plant and Equipment during the current financial year.
(c) No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibitions Act, 1988 and the rules made thereunder.)
(d) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except as diclosed.
(e) The Group has registered all its charges or satisfaction with Registrar of Companies within the statutory period.
(f) The Group has not been declared wilful defaulter by any bank or financial institution or other lender.
(g) The Group has not advanced or loaned or invested funds to/in any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that intermediary shall,

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate beneficiaries)
or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

(h) The Group 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 it will,

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate beneficiaries)
or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

(i) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.
(j) The group has complied with the number of layers prescribed under the Companies Act, 2013.
(k) The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
(l) The Group has not traded or invested in Crypto and virtual currency during the reporting periods.

43 Note on Impact of Covid-19

The global outbreak of corona virus (Covid-19) has caused significant volatility within the economic markets for which the duration and spread of the outbreak and the resultant economic impact is uncertain. A nationwide lockdown was imposed during March, 2020 due to Covid-19 pandemic due to which the operations of the Group was temporarily disrupted. The Group, as per the guidance of its board is following all precautionary measures for ensuring safety of its staff. The Group has resumed its business activities as and when restrictions were eased and the office is operational effective June 2020. Due to restrictions imposed, the Group was unable to sell its products, however subsequently the Group is able to sell its products as and when the restrictions were eased. The Management has confirmed that there is no liability which may arise due to non-compliance of the contract terms.

The Group has considered the possible effects that may result from Covid-19 on the carrying amounts of receivables, inventories and property plant and equipment etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal information such as our current contract terms, future volume estimates from the business, continuing support from the Group's shareholders etc. Having reviewed the underlying data and based on current estimates the Group expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The Group will continue to closely monitor any material changes to future economic conditions specially arising out of Covid-19 which may have impact on the Group's financial statements.

44 Dividend

The Company has declared and paid dividend amounting to Rs. 321.51 Millions For the year ended March 31, 2023 (for the year ended March 31, 2022, Rs. NIL), (for the year ended March 31, 2021, Rs. NIL).

45 Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

46 First time adoption of Ind AS

In preparing these Restated Consolidated Financial Information, the Group's Opening balance sheet was prepared as at April 1, 2021, which is the Group's date of transition to Ind AS.

According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2023, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2021 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2021, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

Refer basis of preparation and presentation in note 2.1 in relation to the transition date for the purpose of first time adoption of Ind AS.

Following notes explain the principal adjustments made by the Group in restating Indian GAAP financial statements (previous GAAP), including the balance sheet as at April 1, 2021 and the financial statements as at and for the year ended March 31, 2022.

46.1 Exemptions and Exceptions Availed

The accounting policies set out in Note 3 have been applied in preparing the Restated Consolidated Financial Information. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

I. Ind AS optional exemptions

A. Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Group has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date. For the purpose of Restated Consolidated Financial Information for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Company has provided the depreciation and amortisation based on the estimated useful life of respective years.

The Group has elected to measure intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

B. Fair value measurement of financial assets or financial liabilities at initial recognition

Ind AS 101 provides the option to apply the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Group elected to apply the Ind AS 109 prospectively to financial assets and financial liabilities after its transition date.

C. Classification and Measurement of Financial Assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

D. Leases

The Group has applied the modified retrospective approach in applying Ind AS 116.

II. Ind AS mandatory exceptions

A. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

C. Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date. (also refer basis of preparation in note 2.1) Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried are amortized cost.

(All amounts in Millions, unless otherwise stated)

46.2 Reconciliations between previous GAAP, Ind AS and Restated Financial Information:

I. Reconciliation of total equity between previous GAAP, Ind AS and Restated Financial Information:

Particulars	As at March 31, 2022	As at March 31, 2021
Total equity (Shareholders' funds) under previous GAAP	2,386.69	1,979.87
Business combination under common control	(0.67)	(20.56)
Adjusted Equity under previous GAAP	**2,386.02**	**1,959.31**
Adjustment on account of transition to Ind AS 116 (leases and security deposits given in accordance with Ind AS 109)		
- Leases (net)	(79.94)	(75.56)
- Security deposits paid	(1.26)	(1.73)
Deferred tax on Ind AS adjustments	22.39	19.73
Adjustments of variable consideration related to loyalty points and discounts (Ind AS 115)	30.05	21.58
Total equity as per Consolidated Financial Statements and Restated Consolidated Financial Information	**2,357.26**	**1,923.33**

II. Reconciliation of total comprehensive income between previous GAAP, Ind AS and Restated Financial Information:

Particulars	As at March 31, 2022	As at March 31, 2021
Profit as reported under previous GAAP	415.41	92.33
Adjustment on account of transition to Ind AS 116 (leases and security deposits given in accordance with Ind AS 109)		
- Leases (net)	(4.38)	(75.56)
- Security deposits paid	0.47	(1.73)
Deferred tax on Ind AS adjustments	2.66	20.68
Adjustments of variable consideration related to loyalty points and discounts (Ind AS 115)	8.47	3.64
Other adjustments	(58.45)	-
Total Comprehensive Income for the year as per Consolidated Financial Statements and Restated Consolidated Financial Information	**364.18**	**39.36**

Notes to First Time Adoption:

a. Leases (Ind AS 116)

Ind AS 116 - Leases effective from April 1, 2019, prescribes accounting of the lease contracts/arrangements. The Group had applied Ind AS 116 for preparing the Ind AS audited financial statements for the period beginning from April 1, 2020. For the purpose of preparing Restated Consolidated Financial Information, Ind AS 116 has been applied using the modified approach with effect from April 1, 2020

Effective April 1, 2020, the Group had recognised lease liability measured at an amount equal to present value of remaining lease payments and corresponding Right of use asset at an amount equivalent to lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before April 1, 2020. ROU assets are being amortized over the period of the lease. Interest on lease liabilities are recognised as charge following incremental rate of borrowing method and lease liabilities (including interest) are adjusted either on settlement through periodic payouts or on reversal for rent concessions negotiated with lessors.

The Group has elected to applied the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption as stated in Ind AS 116.

Under previous GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised initially at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS and subsequently measured at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as Right to Use (ROU) asset and prepayments. Amortisation of ROU Asset and prepayments were charged to the statement of profit and loss over ther period of security deposit along with simultaneous credit to the statement of profit and loss as interest income through unwinding of income over term of the security deposit.

b. Defined benefit liabilities

Under Ind AS, remeasurements on defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. There is no impact on total equity.

c. Restatement adjustments on account of transition to Ind AS w.e.f April 1, 2020

The below table provides reconciliation of impact on account of transition date considered as April 1, 2020 being different from statutory transition date of April 1, 2021. (Refer note 2.1 - Basis of preparation and presentation)

Particulars	Amount
Other Equity balance as at March 31, 2021	1,891.41
Adjustment on account of transition as per IND AS 101	
Adjustment on account of transition to Ind AS 116 (leases and security deposits in accordance with Ind AS 109)	78.23
Deferred tax on Ind AS adjustments	(19.78)
Adjustments of variable consideration related to loyalty points and discounts (Ind AS 115)	
Other adjustments	-
Other Equity balance as at April 1, 2021	**1,949.86**

(All amounts in Millions, unless otherwise stated)

d. Revenue reversal in case of prior period SOR (sale or return) sales
Under the previous GAAP anticipated returns on sales made on return basis are recognised for expected loss of margin, whereas under Ind-AS, expected reversal of revenue and its corresponding cost of goods sold is provided for instead of expected loss of margin.

e. Deferred Tax
Under Ind AS, deferred tax has been recognised on the adjustment made on transition to Ind AS. previous GAAP was silent in regards to deferred tax accounting approach. The Group applied the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Under Ind AS 12 Group is required to account for deferred taxes using the balance sheet approach, which also focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP.

f. Security Deposit
Under previous GAAP, interest free security deposits under lease agreement (that are refundable in cash on completion of the term as per the contract) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as Right of Use Asset and prepayments. The unwinding of security deposit happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The Right of Use Asset and prepayments get amortised on a straight line basis over the lease / contract term.

III. Effect of Ind AS adoption on the Statement of Cash Flows
There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

47 Events occurred after Balance Sheet Date

47.1 Conversion of the Company from Private Limited to Public Limited
Pursuant to resolution passed by the shareholders in the Extraordinary General Meeting dated April 18, 2023 and as approved by Registrar of the Company w.e.f. May 11, 2023 the Company has been converted from Private Limited Company into a Public Limited Company including adoption of new Memorandum of Association and new Articles of Association as applicable to Public Company in place of existing Memorandum of Association and Articles of Association of the Company.

47.2 Bonus-issue of equity shares
The Company has allotted 96,45,282 fully paid-up shares of face value Rs. 10 each on April 7, 2023, pursuant to bonus issue approved by the shareholders in the Extraordinary General Meeting dated February 14, 2023. For the bonus issue, bonus share of three equity share for every one equity shares held, has been allotted.

47.3 Sub-division of equity shares
The Shareholders in their Extraordinary General Meeting dated April 18, 2023 approved sub-division of each authorised and issued equity shares of face value Rs. 10 into five equity shares of face value of Rs. 2 each.

47.4 Impact of Bonus-issue and Sub-division adjustment on Credo ESOP 2020
Pursuant to the aforesaid corporate action mentioned in Note 47.2 and Note 47.3 undertaken by the Group, sub division and bonus adjustment shall be made to the stock options (which includes vested, unvested and yet to be granted stock options) and respective exercise price to the stock options, which have already been granted to employees from time to time of the Group under Credo ESOP 2020 shall be changed accordingly.

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: U18101MH1999PLC119669

Kamal Khushlani	**Poonam Khushlani**
(Chairman and Managing Director)	(Whole-time Director)
DIN: 00638929	DIN: 01179171
Rasik Mittal	**Sanjay Kumar Mutha**
(Chief Financial Officer)	(Company Secretary) (Membership No. 15884)

Place: Mumbai
Date: June 26, 2023

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Earnings per equity share (Basic) (in ₹)	12.06	5.60	0.54
Earnings per equity share (Diluted) (in ₹)	12.06	5.56	0.54
Return on net worth (in %)	29.98	16.70	1.81
Net Asset Value per Equity Share (in ₹)	43.75	36.92	30.13
EBITDA (in ₹ million)	1,638.50	950.97	484.82

Notes:

(1) Basic Earnings per Equity Share (₹) = Net profit after tax attributable to shareholders of the Company, as restated / Weighted average number of Equity Shares outstanding during the year

(2) Diluted Earnings per Equity Share (₹) = Net Profit after tax attributable to shareholders of the Company, as restated / Weighted average number of potential Equity Shares outstanding during the year

(3) Return on Net Worth (%) = Net Profit after tax attributable to shareholders of the Company, as restated / Restated average net worth (i.e. (opening net worth +closing net worth) / 2)

(4) Net Asset Value per Equity Share = Net worth as per the Restated Consolidated Financial Information at the end of the year / Number of equity shares outstanding as at the end of year and adjusted for bonus issue and split of equity shares post last balance sheet i.e. March 31, 2023.

(5) EBITDA = Profit before tax + Depreciation & Amortisation + Finance cost – Other Income.

Other financial statements

In accordance with the SEBI ICDR Regulations the audited standalone financial statements of the Company for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021 (collectively, the "**Audited Standalone Financial Statements**") are available on our website at https://www.credobrands.in/investors.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Standalone Financial Statements and reports thereon should not be considered as part of information that any investor should consider subscribing for any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Standalone Financial Statements, or the opinions expressed therein.

For a reconciliation of the above-mentioned numbers, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations–Non-GAAP Measures*" on page 265.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' read with the SEBI ICDR Regulations, as at the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and as reported in the Restated Consolidated Financial Information, see *"Restated Consolidated Financial Information - Note 39 - Related Party Transactions and Balances"* on page 246.

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2023, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections entitled *"Risk Factors"*, *"Restated Consolidated Financial Information"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 23, 196 and 260, respectively.

(*₹ in million, except ratios*)

Particulars	Pre-Offer as at March 31, 2023	As adjusted for the proposed Offer[1]
Total borrowings		
- Current borrowings	33.24	[●]
- Non-current borrowings (including current maturity)	67.55	[●]
Debt (A)	**100.79**	**[●]**
Total Equity		
- Equity Share capital[2][3]	**32.15**	**[●]**
- Other equity	**2,781.36**	**[●]**
Total Equity (B)	**2,813.51**	**[●]**
Total Capitalisation (A + B)	**2,914.30**	**[●]**
Ratio: Non-current borrowings / Total Equity	2.40%	**[●]**
Ratio: Total Borrowings / Total equity	**3.58%**	**[●]**

Notes:

1) *The corresponding post Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*
2) *On April 7, 2023 and pursuant to a Board resolution dated February 8, 2023, and Shareholders' resolution dated February 14, 2023, our Company had issued 9,645,282 bonus shares of face value of ₹ 10 each aggregating to ₹ 96,452,820 in the ratio of 3:1. For further details, see "Capital Structure—Notes to Capital Structure—Share Capital History of our Company" on page 76.*
3) *Pursuant to a Board resolution dated April 7, 2023 and Shareholders' resolution dated April 18, 2023, each equity share of our Company of face value of ₹10 was sub-divided into 5 Equity Shares of face value of ₹ 2 each and accordingly the issued and paid-up equity share capital of our Company was sub-divided from 12,860,376 equity shares of ₹ 10 each to 64,301,880 Equity Shares of ₹ 2 each.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

The following discussion of our financial condition and results of operations is based on, and should be read in conjunction with, our Restated Consolidated Financial Information (including the schedules, notes and significant accounting policies thereto), included in the section titled "Restated Consolidated Financial Information" beginning on page 196 of this Draft Red Herring Prospectus.

Our Restated Consolidated Financial Information has been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our financial statements are prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, and read with Section 133 of the Companies Act, 2013 to the extent applicable. Ind AS differs in certain material respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS accounting policies. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Any reliance by persons not familiar with Ind AS accounting policies on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated or the context requires otherwise, the financial information for the Fiscals 2023, 2022 and 2021 included herein have been derived from our restated balance sheets as of March 31, 2023, March 31, 2022 and March 31, 2021 and restated statements of profit and loss, cash flows and changes in equity for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021 of the Company, together with the statement of significant accounting policies, and other explanatory information thereon.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal period are to the 12 months ended March 31 of that year. All references to a year are to that Fiscal Year, unless otherwise noted.

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" beginning on page 15 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" and "Our Business" beginning on pages 23 and 146, respectively, of this Draft Red Herring Prospectus for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Industry Report on Men's Western Apparel in India" dated July 11, 2023 (the "**Technopak Report**") prepared and released by Technopak Advisors Private Limited and commissioned and paid for by us in connection to the Offer. A copy of the Technopak Report is available on the website of our Company at https://www.credobrands.in/investors. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Unless otherwise stated, references to "the Company", "our Company", "we", "us", and "our" are to Credo Brands Marketing Limited.

Overview

We are among the largest homegrown brands in the mid-premium and premium men's casual wear market in India in terms of market share in Fiscal 2022.(*Source: Technopak Report*). We believe in providing a meaningfulwardrobe solution for multiple occasions in a customer's life, with our product offerings ranging from shirts to t-shirts to jeans to chinos, which caters to all year-round clothing. Our products are designed to provide a youthfulappearance while keeping up with the ongoing fashion trends.

Our brand "*Mufti*" was launched by our Promoter, Kamal Khushlani 25 years ago with a vision to redefine menswear. The brand was created as an alternative dressing solution and was designed to deliver a casual alternative with a focus on creative, bold, and expressive clothing for the contemporary Indian man who wanted something more stylish than what was commonly available.

As per the Technopak Report, the share of organized market for men's apparelis expected to increase from ~ 45% in Fiscal 2022 to reach ~60% by Fiscal 2027. Further, men's western wear market contributes to nearly 94% of the total Indian men's apparel market and rest ~6% of the market is contributed by Indian men's ethnic wear (*Source: Technopak Report*). As per the Technopak Report, India's predisposition towards casual wear has grown exponentially over the last few years. Some of the factors that has accelerated the rise of casualisation of men's wear are increasing urbanization, social media connectivity, growth and influence of mobile internet and increased buying propensity amongst consumers and the concept of Friday dressing (casual Fridays) in the corporate world. Also, for time pressed consumers today, casualwestern wear is easy to maintain and wear, and thus becomes a more preferred lifestyle choice (*Source: Technopak Report*). As a result, the categories such as denim, activewear, casual shirts, athleisure, and loungewear are growing at a CAGR greater than 20% (*Source: Technopak Report*). Further, as per Technopak report, the casual led men's western wear are likely to outpace the growth of formal led men's western wear growing at an expected CAGR of22% vis-à-vis 18% for the latter from FY 22 to FY 27.

In order to keep pace with these evolving fashion trends, our product mix has evolved significantly over the past several years from consisting of only shirts, t-shirts and trousers in the year 1998 to a wide range of products including sweatshirts, jeans, cargos, chinos, jackets, blazers and sweaters in relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and also athleisure categories as on date. Our design team is constantly focusing on expanding our product range to meet a varied range of consumer needs.

Our products are available through a pan-India multichannel distribution network that we have built over the yearscomprising of our exclusive brand outlets ("**EBOs**"), large format stores ("**LFSs**") and multi-brand outlets ("**MBOs**"), as well as online channels comprising of our website and other e-commerce marketplaces. Our multi-channel presence is planned strategically in a manner that our products across categories are available at consumers' preferred shopping channels.

As of May 31, 2023, we have a pan-India presence through 1,773 touchpoints consisting of 379 EBOs, 89 LFSs and 1,305 MBOs, with our reach extending from major metros to Tier-3 cities. We had a presence in 582, 598 and 569 number of cities as of March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our well-established EBO network offers a holistic shopping experience for our customers. Our EBOs are located nationwide across high streets, malls, airports and residential market areas. We also have an online presence which is rapidly growing wherein our customers can shop throughour website, *www.muftijeans.in*, as well as through various e-commerce marketplaces.

The table below sets forth a break-down of revenue from operations from our distribution channels for the periods indicated below:

Format of stores	**Financial Year 2023**		**Financial Year 2022**		**Financial Year 2021**	
	Amount(in ₹ million)	**% of Total Revenue from Operations**	**Amount(in ₹ million)**	**% of Total Revenue from Operations**	**Amount(in ₹ million)**	**% of Total Revenue from Operations**
EBOs	2,829.08	56.79%	1,768.60	51.84%	1,371.45	56.02%
MBOs	1,515.90	30.43%	1,099.77	32.24%	675.85	27.61%
LFSs	157.56	3.16%	114.65	3.36%	68.87	2.81%
Online*	254.45	5.11%	280.31	8.22%	201.05	8.21%
Others#	224.83	4.51%	148.39	4.35%	131.04	5.35%
Total	**4,981.82**	**100.00%**	**3,411.72**	**100.00%**	**2,448.26**	**100.00%**

** Includes sales through our website and e-commerce marketplaces*
 # Includes sale of trims (such as fabric, buttons, labels, tags, zippers, etc.) and odd lot sale

In order to adapt to an ever-changing retail landscape, we conducted an internal assessment in 2019 and put the learnings to reinvent the brand philosophy. Further, we got the opportunity during COVID-19 to accelerate this change by renovating and relocating some of our existing stores. The number of stores renovated were 60 during the period April 1, 2020 to March 31, 2023.

Furthermore, our website, *www.muftijeans.in,* has been updated to reflect this new philosophy. As part of this brand reinvention, we developed a new merchandise architecture for increasing our share of customer's wallet byproviding designs suited for specific occasions in our customer's life ranging from relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and also athleisure.

We are asset-light with respect to our plant, property, and equipment, primarily due to outsourcing of our manufacturing operations. We comprehensively focus on the design of products and outsource the manufacturingof products to various manufacturing partners. We also conduct multiple levels of checks to ensure we achieve the desired quality. This structure provides us agility with our longstanding sourcing partners allowing us to manage our supply, based on the demand from our various distribution channels. Our asset light model also coversevery aspect of our sales operations, with none of our stores being situated on properties owned by us.

To enhance brand awareness and strengthen brand recall for our brand, we utilise targeted marketing campaigns, and call-for-action, through digital and social media, billboards, multiplex cinemas, and live events. In keeping with the above, we release our adfilms across cinemas in the country, driving a strong brand recall with ourconsumers. We have developed a strong brand identity through effective brand advertising and multiple marketing campaigns for our brand.

Our key financial performance indicators for the last three Fiscals are as follows:

(Amount in Million, except % and ratios)

KPI	**As of/ for the**		
	Financial year ended March 31, 2023	**Financial year ended March 31, 2022**	**Financial year ended March 31, 2021**
Revenue from Operations[1]	4,981.82	3,411.72	2,448.26
Year-on-Year Growth in Revenue from Operations (%) [2]	46.02 %	39.35 %	(35.99) %
Gross Profit[3]	2,862.42	1,941.05	1,197.87
Gross Profit Margin[4]	57.46 %	56.89 %	48.93 %
EBITDA[5]	1,638.50	950.97	484.82
EBITDA Margin[6]	32.89 %	27.87 %	19.80 %
PAT[7]	775.14	357.40	34.41
PAT Margin[8]	15.56 %	10.48 %	1.41 %
Net Debt/Equity[9] (number of times)	0.65	0.44	0.62
ROCE[10]	28.16 %	17.31 %	5.86 %
ROE (Return on Equity)[11]	29.98 %	16.70 %	1.81 %
Fixed Assets Turnover Ratio[12] (number of times)	9.79	8.64	5.83
Debtor Days[13]	101	132	183
Inventory Days[14]	154	154	173
Creditor Days[15]	73	91	101
Net Working Capital Days[16]	182	195	255

Notes:

1. *Revenue from operations is the total revenue generated by the Company from its operation.*
2. *Year-on-Year Growth in Revenue from Operations is annual growth in revenue from operation as compare with previous year revenue from operation (Revenue from operation of current year- Revenue from operation of previous year/ Revenue from operation of previous year*100).*
3. *Gross Profit is Revenue from operation-cost of goods sold.*
4. *Gross Profit Margin is Gross Profit/ Revenue from Operations*100.*
5. *EBITDA is calculated as Profit before tax + Depreciation & Amortisation + Finance cost – Other Income.*
6. *EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations*100.*
7. *PAT is mentioned as Profit after Taxes for the period.*
8. *PAT Margin is calculated as PAT/ Revenue from Operations*100.*
9. *Net Debt/Equity is calculated as (Total Long term & Short term borrowings + lease liabilities -Cash and cash equivalents) /shareholder's equity.*
10. *ROCE: Return on Capital Employed is calculated as EBIT (profit before tax + finance cost) divided by average capital employed ((opening capital employed +closing capital employed) /2), which is defined as average of Equity Fund plus debts plus lease liabilities.*
11. *ROE (Return on equity) is calculated as PAT/ Average Shareholder's Equity ((opening equity +closing equity)/2).*
12. *Fixed Assets Turnover Ratio is calculated as revenue from operations/average PPE.*
13. *Debtor Days is calculated as Trade Receivable as at the year-end/Revenue from Operations*365. Rounded off to the nearest integer.*
14. *Inventory Days is calculated as average inventory for the year ((opening +closing)/2)/cost of goods sold*365. Rounded off to the nearest integer.*
15. *Creditor Days is calculated as Trade payable as at the year-end/Cost of goods sold*365. Rounded off to the nearest integer.*
16. *Net Working Capital Days is calculated as Debtor Days + Inventory Days – Creditor Days.*

Principal Factors Affecting our Results of Operations and Financial Condition

Expansion of our domestic retail network

Our ability to grow in different geographical regions depends upon the strength of our brand, product portfolio and locations of our stores. Opening new stores successfully is crucial for our expansion strategy. As on May 31, 2023, we have 379 EBOs, and sell through 89 LFSs and 1,305 MBOs. Out of the total number of EBOs, as on May 31, 2023, 32.19 % are COCO, 42.22 % are COFO and 25.59 % are FOFO. All of our EBOs operate in leased premises, exposing us to the risks associated with fluctuations in rental markets. We incurred ₹546.44 million, ₹397.80 million and ₹330.01 million as lease expenses for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

As a retail company, our stores need to be located in high visibility and high traffic locations. As of May 31, 2023, approximately 65.44 % of our EBOs are on the high streets, approximately 32.98 % are in malls, approximately 1.58 % of our EBOs are in airports. As the availability of prime retail locations is limited, we cannot assure you that we will be able to identify and secure premises on commercially acceptable terms, or at all. Any inability on our part to secure alternate attractive locations at acceptable terms, or at all, will adversely affect our business, growth strategies and results of operations

While we have an option of renewing the lease agreements for our EBOs, leased in favor of our Company, we may need to renegotiate the terms of renewal of the lease agreement with the lessor, on favorable terms mutually agreed upon by us and the lessor. We cannot guarantee that we will be able to fully adhere to all the terms of the lease agreements, renew such lease agreement or enter into a new lease agreement in the future, on terms that are favourable to us, or at all. In case we do not have the option of renewal of a lease agreement for our stores on acceptable terms, we may have to close or relocate such EBOs which will have an impact on the sales of the products and revenues earned at such stores. Additionally, lessors have the ability to terminate lease agreements before the expiration of their term, including non-compliance of the terms of the agreement by us or if we are unable to pay rent for an extended period of time. Further, we may also face the risk of being evicted in case our lessors allege a breach on our part of any terms under the lease agreements and there is no assurance that we will be able to identify suitable locations to re-locate our stores. Although no such incidents have occurred in the past, we cannot assure you that such instances will not occur in future. In the event such incidents occur, our business, financial condition and results of operation may be adversely affected. We intend to leverage our past efforts and experience, to expand our presence across several markets in India which we have identified as having potential for opening further EBOs. We expect to leverage our existing storenetwork and our knowledge of different markets in India to tap this growth opportunity.

Growth in sales through online retail channels

The share of online retail in the apparel and apparel accessories segment is expected to reach 24.0% in FY 2027 from 22.0% in FY 2022(*Source: Technopak Report*).

Our online presence is rapidly growing wherein our customers shop through our website, *www.muftijeans.in*, as well as through various e-commerce marketplaces. In the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, our revenue from online sales amounted to ₹254.45 million, ₹280.31 million and ₹201.05 million, which was 5.11%, 8.22% and 8.21% of our total revenue from operations, respectively, with a majority coming from leading third-party online marketplaces. Additionally, we have redesigned our website in line with our brand reinvention and merchandise architecture. We invest in growing our social media presence through robust content generation across Instagram, Facebook, and Youtube by our in-house team and we engage influencers on Instagram who help us improve regional brand awareness.

However, we cannot assure you that we will be able to negotiate agreements with such third-party online platforms on terms favorable to us or at all. An inability on our part to maintain or further develop online presence or further enter into agreements with our existing and new third-party online platforms on terms favorable to us may have an adverse effect on the pricing of our products, our sales and consequently our business, cash flows, financial condition and results of operations.

Cost incurred in procuring raw materials and finished goods

As of March 31, 2023, we had a network of over 45 manufacturing partners for procurement of finished products. For the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, our purchases from top five manufacturing partners amounted to ₹ 1,117.14 million, ₹ 704.57 million and ₹565.44 million and represented 42.58%, 45.16% and 46.68% of our total cost of purchase of goods, respectively.

We are a design and retail focused Company wherein the designs of our products are created by our in-house design team and the manufacturing of the finished products is carried out by third-party manufacturing partners. We rely on our manufacturing partners to provide us with an uninterrupted supply of finished products. However, we cannot assure you that they will do so in a timely manner, or at all. While we have long-term relationships with certain manufacturing partners, they may decide not to accept our future orders on the same or on terms favourable to us, or at all. They may discontinue their work on short intimation and our procurement process may be stalled or hindered. Conversely, due to increased customer demand for our products, we may need to obtain more products from more manufacturing partners, and any inability to do so may render us unable to execute our growth strategy.

Further, the performance of our Company largely depends on our ability to arrange for such third party raw material suppliers who would provide the third-party manufacturing partners with raw materials to manufacture our products in sufficient quantities at competitive prices and of desired quality. We cannot be assured that the suppliers will continuously provide our manufacturing partners with raw materials at adequate pricing at which we are currently obtaining as per our agreed upon terms. There is a possibility that any of our third-party raw material suppliers may discontinue their relationship with us which would adversely impact our business operations.

Consumer spending and general economic and market conditions

We are among the largest homegrown brands in the mid-premium and premium men's casual wear market in India in terms of market share in Fiscal 2022.(*Source: Technopak Report*). Our revenue from operations in the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, amounting to ₹4,981.82 million, ₹3,411.72 million and ₹2,448.26 million, respectively. Since we specifically cater to the market of men’s casual western wear, which is a segment of the vast apparel market, if our customers are not satisfied with our products, or there is lack of customer demand for our products, it may adversely affect our business, financial conditions, and results of operations. In particular, our business is impacted by rapidly changing customer preferences.

As per the Technopak Report, the share of organized market for men’s apparel is expected to increase from ~ 45% in Fiscal 2022 to reach ~60% by Fiscal 2027. Further, men’s western wear market contributes to nearly 94% of the total Indian men’s apparel market and rest ~6% of the market is contributed by Indian men’s ethnic wear (*Source: Technopak Report*). Our business operations is significantly dependent on customer confidence and spending patterns, which are influenced by interest rates, market volatility across the globe, inflation, tax rates, government policies and unemployment rates. Our performance may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macro-economic factors, negatively affect the level of customer confidence and spending.

Employee benefit expenses

As on May 31, 2023, we had 220 full-time employees and 1,055 personnel on a contractual basis.

Our employee benefit expenses comprise of salaries and employee stock options, contribution to provident fund, gratuity expenses, share based payments and staff welfare expenses For the Financial Years 2023, 2022 and 2021, our employee benefits expense were ₹ 267.63 million, ₹ 291.76 million and ₹ 218.33 million, respectively, constituting 6.60%, 9.50% and 8.49% of our total expenses, respectively, primarily on account of a decrease in payment of salaries and wages, share based payments to employees and staff welfare expenses.

In addition to compensation, we provide our employees with other benefits which include insurance coverage and paid leave. We have implemented inclusivity initiatives, rewards and recognition program and conduct regular events to recognize and award employees based on performance and the impact they have made, irrespective of their seniority, department or location. Our employee induction procedures are focused on taking regular feedback and facilitating interaction between new employees and senior management.

We anticipate that employee benefit expenses will increase as our operations grow and through effective manpower planning and maintaining optimal employee strength, we aim to maximise revenue per employee. Our costs and profitability may be significantly impacted if we have to raise compensation and other benefits in the future in order to recruit and retain personnel.

Significant Accounting Policies

Basis of Accounting and preparation of financial statements

The restated consolidated statements of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statements of changes in equity, the restated consolidated cash flow statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the significant accounting policies, and other explanatory information of the Company prepared in accordance with Section 26 of the Companies Act, SEBI ICDR Regulations and the ICAI Guidance Note (being collectively referred to as the “**Restated Consolidated Financial Information**”).

The above Restated Consolidated Financial Information has been prepared by the management of our Company in accordance (i) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2023 (along with comparative audited consolidated financial statements as at and for the year ended March 31, 2022) prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (referred to as "**Ind AS**") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and any other accounting principles generally accepted in India (the "**Consolidated Financial Statements**"), which have been approved by the Board of Directors at their meeting held on June 26, 2023. The comparative information as at and for the year ended March 31, 2022 included in the Consolidated Financial Statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2022, prepared in accordance with the accounting standards notified under section 133 of the Act ("**Indian GAAP**") (the "**Statutory Indian GAAP Financial Statements March 2022**"), which have been approved by the Board of Directors at their meeting held on September 29, 2022; and (ii) the audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2021 (the "**Special Purpose Consolidated Ind AS Financial Statements**") prepared in accordance with basis described in Note 2.1 of the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on June 26, 2023. The Restated Consolidated Financial Information have been examined by the Statutory Auditors placing reliance on:

(i) The Guidance Note read with the SEBI Communication, as applicable. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

(ii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

(iii) The requirements of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations.

Functional and presentation currency

The Restated Consolidated Financial Information is presented in Indian Rupees, which is the Company's functional currency, and all values are rounded to the nearest Millions, except otherwise indicated.

Composition of the Restated Consolidated Financial Information:

The Restated Consolidated Financial Information are in accordance with Ind AS presentation. The Restated Consolidated Financial Information comprise:

(i) Restated Consolidated Statements of Assets and liabilities
(ii) Restated Consolidated Statements of Profit and Loss
(iii) Restated Consolidated Statements of Cash Flows
(iv) Restated Consolidated Statements of Changes in Equity
(v) Significant Accounting Policies and other explanatory information

Changes in the accounting policy, if any, in the last three years and their effect on our profits and reserves

There have been no changes in accounting policies of the Company during Fiscal 2023, Fiscal 2022 and Fiscal 2021.

Non-GAAP Financial Measures

There are significant differences between Ind AS and US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS, please see the section entitled *"External Risk Factors - Significant differences exist between Ind AS ("Indian Accounting Standards") and other accounting principles, such as U.S. GAAP ("Generally Accepted Accounting Principles in the United States of America") and IFRS ("International Financial Reporting Standards"), which investors may be more familiar with and may consider material to their assessment of our financial condition."* on page 54. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

EBITDA, EBITDA Margin, PAT Margin, net working capital, current ratio, long term debt/equity, ROCE and ROE presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA, EBITDA Margin, PAT Margin, net working capital, current ratio, long term debt/equity, ROCE and ROE are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBITDA and EBITDA Margin, are not standardised terms, hence a direct comparison of these Non-GAAP measures between companies may not be possible. Other companies may calculate these Non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

(₹ in millions, except for ratios and percentages)

Financial KPI	As of/ for the		
	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31, 2021
Revenue from Operations[1]	4,981.82	3,411.72	2,448.26
Year-on-Year Growth in Revenue from Operations [2]	46.02%	39.35%	(35.99)%
Gross Profit[3]	2,862.42	1,941.05	1,197.87
Gross Profit Margin[4]	57.46%	56.89%	48.93%
EBITDA[5]	1,638.50	950.97	484.82
EBITDA Margin[6]	32.89%	27.87%	19.80%
PAT[7]	775.14	357.40	34.41
PAT Margin[8]	15.56%	10.48%	1.41%
Net Debt/Equity[9] (number of times)	0.65	0.44	0.62
ROCE[10]	28.16%	17.31%	5.86%
ROE (Return on Equity)[11]	29.98%	16.70%	1.81%
Fixed Assets Turnover Ratio[12] (number of times)	9.79	8.64	5.83
Debtor Days[13]	101	132	183
Inventory Days[14]	154	154	173
Creditor Days[15]	73	91	101
Net Working Capital Days[16]	182	195	255

Notes:

1. *Revenue from operations is the total revenue generated by the Company from its operation.*
2. *Year-on-Year Growth in Revenue from Operations is annual growth in revenue from operation as compare with previous year revenue from operation (Revenue from operation of current year- Revenue from operation of previous year/ Revenue from operation of previous year*100).*
3. *Gross Profit is Revenue from operation-cost of goods sold.*
4. *Gross Profit Margin is Gross Profit/ Revenue from Operations*100.*
5. *EBITDA is calculated as Profit before tax + Depreciation & Amortisation + Finance cost – Other Income.*
6. *EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations*100.*
7. *PAT is mentioned as Profit after Taxes for the period.*
8. *PAT Margin is calculated as PAT/ Revenue from Operations*100.*
9. *Net Debt/Equity is calculated as ((Total Long term & Short term borrowings + lease liabilities - Cash and cash equivalents) /shareholder's equity.*
10. *ROCE: Return on Capital Employed is calculated as EBIT (profit before tax + finance cost) divided by average capital employed ((opening capital employed +closing capital employed) /2), which is defined as average of Equity Fund plus debts plus lease liabilities.*
11. *ROE (Return on equity) is calculated as PAT/ Average Shareholder's Equity ((opening equity +closing equity)/2).*
12. *Fixed Assets Turnover Ratio is calculated as revenue from operations/average PPE.*
13. *Debtor Days is calculated as Trade Receivable as at the year-end/Revenue from Operations*365. Rounded off to the nearest integer.*
14. *Inventory Days is calculated as average inventory for the year ((opening +closing)/2)/cost of goods sold*365. Rounded off to the nearest integer.*
15. *Creditor Days is calculated as Trade payable as at the year-end/Cost of goods sold*365. Rounded off to the nearest integer.*
16. *Net Working Capital Days is calculated as Debtor Days + Inventory Days – Creditor Days.*

EBITDA and EBITDA Margin

The following table sets forth our EBITDA, EBITDA Margin, including a reconciliation of EBITDA and EBITDA Margin to our restated profits/losses before tax and prior period items, in each of the Fiscal 2023, Fiscal 2022 and Fiscal 2021.

Reconciliation of EBITDA and EDITDA Margin

(*in ₹ millions, except percentages*)

Particulars	For the fiscal year ended March 31,		
	2023	2022	2021
Total income (A)	5,093.22	3,548.35	2,611.54
Revenue from operations (B)	4,981.82	3,411.72	2,448.26
Profit before tax and prior period items (C)	1,038.12	478.33	40.08
Add: Finance costs (D)	177.48	150.42	167.2
Add: Depreciation and amortization expense (E)	534.3	458.85	440.81
Less: Other income (F)	111.4	136.63	163.28
EBITDA (G=C+D+E-F)	1,638.50	950.97	484.82
EBITDA Margin (H=G/B)	32.89%	27.87%	19.80%
Profit for the year (I)	775.14	357.40	34.41
Total equity (J)	2,813.51	2,357.26	1,923.33

Overview of Revenue and Expenditure

The following descriptions set forth information with respect to key components of our income statement.

Revenue

Revenue from operations

Revenue from operations comprises income from sale of products consisting of shirts, t- shirts, sweatshirts, jeans, cargos, chinos, jackets, blazers and sweaters in relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and also athleisure.

Other income

Other income primarily comprises interest received on bank deposits, security deposits and income-tax refund. Other gains include rental income, profit on sale of asset, insurance claim received, net gain on foreign currency transactions, variable lease rent income, discount received, sundry balances written back and excess provisions written back.

Expenses

Our expenses comprise the following:

a) Cost of materials consumed: Cost of materials consumed comprises (i) the opening stock of raw materials used in the manufacture of our products; (ii) the purchase of raw materials; and (iii) the closing stock of raw materials. Our raw materials include fabrics and accessories (including trims such as buttons, labels, tags, zippers, etc.).

b) Purchases of stock-in-trade.

c) Changes in inventories of finished goods and stock-in-trade: Changes in inventories consist of the difference in opening stock of finished goods and closing stock of finished goods.

d) Employee benefit expenses: Employee benefit expenses comprises salaries and wages, contribution to provident fund, gratuity expenses, share based payments and staff welfare expenses.

e) Finance costs: Finance costs comprises interest expenses on borrowings in the nature of interest paid on deposits and other borrowing costs.

f) Depreciation and amortization expenses: Depreciation and amortization expenses comprises (i) depreciation of our property, plant and equipment which includes embroidery machines, button sewing machines, weighing machines, garment steamers and furniture & fixtures, computers, air conditioners, electrical fittings, (ii) depreciation on right of use assets which includes amortisation of lease rentals and security deposits in respect of office, stores and warehouses;

(iii) depreciation on investment properties which includes office premises; and (iv) amortisation of intangible assets.

g) Other expenses: Other expenses comprise primarily of power and fuel expenses, rent, repairs and maintenance expenses, insurance charges, rates & taxes, duties & taxes, communication expenses, travelling and conveyance, printing & stationery expenses, freight & forwarding, sales commission, advertising expenses, business promotion expenses, expenditure on corporate social responsibility, legal and professional, payment to auditors comprising of statutory auditor fees, reimbursement of expense and other services, fixed asset written off, loss on sale of assets, computer and software charges, labour charges, security charges, store expenses, courier charges, manpower expenses, provision for doubtful debts and provision for doubtful deposits.

Operating Segment and Business Models

Our Company is operating in one business segment, i.e., men's casual wear and apparels, which in terms of Ind AS 108 on 'Operating Segments', constitute a single reporting business segment. Since our Company operates only in India, there is only a single geographical segment.

Results of Operations

The following table sets forth our income statement data, the components of which are expressed as a percentage of total income for the periods indicated below.

Particulars	**For the year ended March 31,**					
	2023		**2022**		**2021**	
	(₹ in millions)	***% of Total Income***	***(₹ in millions)***	***% of Total Income***	***(₹ in millions)***	***% of Total Income***
Income						
Revenue from operations	4,981.82	97.81%	3,411.72	96.15%	2,448.26	93.75%
Other income	111.40	2.19%	136.63	3.85%	163.28	6.25%
Total income	**5,093.22**	100.00%	**3,548.35**	**100.00%**	**2,611.54**	**100.00%**
Expenses						
Cost of materials consumed	278.47	5.47%	157.68	4.44%	150.96	5.78%
Purchases of stock-in-trade	2,308.79	45.33%	1,379.84	38.89%	1,098.56	42.07%
Changes in inventories of finished goods and stock-in-trade	(467.85)	(9.19%)	(66.85)	(1.88%)	0.87	0.03%
Employee benefits expense	267.63	5.25%	291.76	8.22%	218.33	8.36%
Finance costs	177.48	3.48%	150.42	4.24%	167.20	6.40%
Depreciation and amortization expense	534.30	10.49%	458.85	12.93%	440.81	16.88%
Other expenses	956.28	18.78%	698.32	19.68%	494.73	18.94%
Total expenses	**4,055.10**	**79.62%**	**3,070.02**	**86.52%**	**2,571.46**	**98.47%**
Profit before tax	**1,038.12**	**20.38%**	**478.33**	**13.48%**	**40.08**	**1.53%**
Tax Expenses						
Current tax	309.05	6.07%	187.38	5.28%	50.01	1.91%
Short/(excess) provision of income tax of earlier years	(1.42)	(0.03%)	(6.52)	(0.18%)	(6.16)	(0.24%)
Deferred tax expenses / (credit)	(44.65)	(0.88%)	(59.93)	(1.69%)	(38.18)	(1.46%)
MAT credit	-	-	-	-	-	-
Total tax expenses	**262.98**	**5.16%**	**120.93**	**3.41%**	**5.67**	**0.22%**
Profit for the year	**775.14**	**15.22%**	**357.40**	10.07%	**34.41**	1.32%
Other comprehensive income						
A. Items that will not be re-classified to profit or loss						
(i) Re-measurement gain / (loss) on defined benefit liability	0.13	0.00%	9.06	0.26%	6.62	0.25%
(ii) Tax related to above item	(0.03)	(0.00%)	(2.28)	(0.06%)	(1.67)	(0.06%)
Total comprehensive income of the year (net of tax) (A+B)	**0.10**	**0.00%**	**6.78**	**0.19%**	**4.95**	**0.19%**
Total restated comprehensive income / (expense) of the year	**775.24**	**15.22%**	**364.18**	**10.26%**	**39.36**	**1.51%**

Results of operations for the Fiscal 2023 compared with Fiscal 2022

(₹ in millions)

Particulars	For the year ended March 31,		Change (%)
	2023	2022	
Income			
Revenue from operations	4,981.82	3,411.72	46.02%
Other income	111.40	136.63	(18.46%)
Total Income	**5,093.22**	**3,548.35**	**43.54%**
Expenses			
Cost of materials consumed	278.47	157.68	76.61%
Purchases of stock-in-trade	2,308.79	1,379.84	67.32%
Changes in inventories of finished goods and stock-in-trade	(467.85)	(66.85)	599.84%
Employee benefits expenses	267.63	291.76	(8.27%)
Finance costs	177.48	150.42	17.99%
Depreciation and amortization expense	534.30	458.85	16.44%
Other expenses	956.28	698.32	36.94%
Total expenses	**4,055.10**	**3,070.02**	**32.09%**
Profit before tax	**1,038.12**	**478.33**	**117.03%**
Tax expenses:			
Current tax	309.05	187.38	64.93%
Short/(Excess) provision of income tax of earlier years	(1.42)	(6.52)	(78.16%)
Deferred tax expenses / (credit)	(44.65)	(59.93)	(25.50%)
MAT credit	-	-	-
Total tax expenses	**262.98**	**120.93**	117.46%
Profit for the year	**775.14**	**357.40**	116.88%

Revenue from operations

Our revenue from operations increased by 46.02% from ₹ 3,411.72 million in Fiscal 2022 to ₹4,981.82 million in Fiscal 2023. This increase is primarily attributed to revenue generated from our sales of products (retail sales net of discounts and gift vouchers provided during the year). The number of EBOs increased from 321 as of March 31, 2022 to 373 as of March 31, 2023. Further certain periods in Fiscal 2022 were impacted due to COVID-19. The provision for sales return increased from ₹(22.24) million in Fiscal 2022 to ₹42.27 million in Fiscal 2023, customer loyalty points and gift vouchers increased from ₹(18.06) million in Fiscal 2022 to ₹(29.22) million in Fiscal 2023 and discounts increased from ₹(247.55) million in Fiscal 2022 to ₹(385.97) million in Fiscal 2023.

Other Income

Our other income decreased by 18.46% from ₹ 136.63 million in Fiscal 2022 to ₹111.40 million in Fiscal 2023. Such decrease was primarily on account of decrease in COVID-19 related rent concessions from ₹79.20 million in Fiscal 2022 to ₹3.58 million in Fiscal 2023 and decrease in Interest on Bank deposit from ₹16.82 million in Fiscal 2022 to ₹9.54 million in Fiscal 2023, this decrease was partially offset by a marginal increase in rental income from ₹2.66 million in Fiscal 2022 to ₹4.25 million in Fiscal 2023, Increase in Interest received from customers from ₹0.25 million in Fiscal 2022 to ₹33.68 million in Fiscal 2023 and Increase in balances written back of provision from ₹2.68 million in Fiscal 2022 to ₹32.25 million in Fiscal 2023.

Cost of materials consumed

Our cost of materials consumed increased by 76.61% from ₹ 157.68 million in Fiscal 2022 to ₹278.47 million in Fiscal 2023, primarily due to an increase in the purchase of trims and materials for sampling.

Change in inventories of finished goods and stock-in-trade

Our opening stock of finished goods and stock-in-trade was ₹ 538.62 million as at April 1, 2021, while it was ₹605.47 million as at April 1, 2022.

Our closing stock of finished goods and stock-in-trade was ₹ 605.47 million as at March 31, 2022, while it was ₹1,073.32 million as at March 31, 2023.

Our purchases of stock-in-trade increased from ₹ 1,379.84 million in Fiscal 2022 to ₹2,308.79 million in Fiscal 2023, and consequently, the changes in inventories of finished goods and stock-in-trade amounted from ₹ (66.85) million in Fiscal 2022 to ₹(467.85) million in Fiscal 2023, which was primarily a result of increase in purchase of goods to meet increased consumer demand post COVID 19.

Employee benefits expense

Our employee benefits expense decreased by 8.27% from ₹ 291.76 million in Fiscal 2022 to ₹267.63 million in Fiscal 2023, primarily on account of a decrease in payment of salaries and wages, share based payments to employees and staff welfare expenses. The employee benefit expenses was higher in Fiscal 2022 due to an one time ex-gratia payment to employees of ₹ 35.69 million for their support to the Company during COVID-19 period. We had 196 employees as of March 31, 2022 as compared to 214 employees as of March 31, 2023 on account of increase in scale of operations of the Company. Though as a % to total revenue, the employee expenses have reduced from 8.55% in Fiscal 2022 to 5.37% in Fiscal 2023, which has helped us to improve our operating margins.

Finance costs

Our finance costs increased by 17.99% from ₹150.42 million in Fiscal 2022 to ₹177.48 million in Fiscal 2023, primarily due to increase in interest on lease liabilities from ₹101.85 million in Fiscal 2022 to ₹115.25 million in Fiscal 2023, increase in interest on delayed payment of taxes from ₹2.97 million in Fiscal 2022 to ₹6.81 million in Fiscal 2023 and increase in other finance cost (which includes merchant discount rate, cash collection charges etc) from ₹13.08 million in Fiscal 2022 to ₹21.27 million in Fiscal 2023, this increase was partially offset against marginal decrease in interest expenses for borrowings from ₹9.97 million in Fiscal 2022 to ₹8.96 million in Fiscal 2023.The interest on delayed payment of taxes was pursuant to the uncertainty arising from COVID-19 situation.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 16.44% from ₹ 458.85 million in Fiscal 2022 to ₹534.30 million in Fiscal 2023, on account of an increase in depreciation on right of use assets from ₹334.54 million in Fiscal 2022 to ₹387.09 million in Fiscal 2023. Though as a % to total revenue, the depreciation and amortization expense have reduced from 13.45% in Fiscal 2022 to 10.73% in Fiscal 2023, which has further helped us to improve our margins.

Other expenses

Our other expenses increased by 36.94% from ₹ 698.32 million in Fiscal 2022 to ₹956.28 million in Fiscal 2023, generally in line with the increase in business post impact of COVID 19. Though as a % to total revenue, the other expenses have reduced from 20.47% in Fiscal 2022 to 19.20% in Fiscal 2023, which has further helped us to improve our margins. The absolute increase was mainly driven by increases in (i) rent from ₹40.61 million to ₹47.68 million, (ii) travelling and conveyance from ₹21.38 million to ₹43.24 million, (iii) freight charges from ₹35.75 million to ₹41.78 million, (iv) sales commission and brokerage from ₹121.75 million to ₹149.07 million, (v) advertisement and sales promotion from ₹22.31 million to ₹173.64 million, (vi) loss on property, plant and equipment sold/ scrapped/ written off from ₹6.31 million to ₹4.05 million, (vii) store expenses from ₹59.77 million to ₹73.05 million, (viii) manpower expenses from ₹153.68 million to ₹226.66 million, this increase was partially offset by marginal in decrease in allowance for expected credit loss from ₹103.88 million to ₹9.41 million, and decrease in allowance for doubtful deposits from ₹7.72 million to ₹1.43 million.

Profit before tax

As a result of the foregoing, we recorded an absolute increase of 117.03% in our profit before tax, from ₹ 478.33 million in Fiscal 2022 to ₹1,038.12 million in Fiscal 2023 and an increase in margin from 13.48% in Fiscal 2022 to 20.38% in Fiscal 2023 on account of increase in sales, changes in inventories of finished goods and stock-in-trade and economies of scale.

Tax expenses

Our tax expenses increased by 117.46% from ₹ 120.93 million in Fiscal 2022 to ₹262.98 million in Fiscal 2023. Our effective tax rate in Fiscal 2022 and Fiscal 2023 was 25.28% and 25.33%, respectively. The increase in our tax expenses in Fiscal 2023 was primarily due to an increase in the profit before tax, which was attributable to the increase in revenues.

Profit for the year

As a result of the foregoing, we recorded an increase of 116.88% in our profit for the year from ₹ 357.40 million in Fiscal 2022 to ₹775.14 million in Fiscal 2023.

Results of operations for the Fiscal 2022 compared with Fiscal 2021

(₹ in millions)

Particulars	For the year ended March 31,		Change (%)
	2022	2021	
Income			
Revenue from operations	3,411.72	2,448.26	39.35%
Other income	136.63	163.28	(16.32)%
Total Income	**3,548.35**	**2,611.54**	**35.87%**
Expenses			
Cost of materials consumed	157.68	150.96	4.45%
Purchases of stock-in-trade	1,379.84	1,098.56	25.60%
Changes in inventories of finished goods and stock-in-trade	(66.85)	0.87	(7,789.08)%
Employee benefits expenses	291.76	218.33	33.63%
Finance costs	150.42	167.20	(10.04%)
Depreciation and amortization expense	458.85	440.81	4.09%
Other expenses	698.32	494.73	41.15%
Total expenses	**3,070.02**	**2,571.46**	**19.39%**
Profit before tax	**478.33**	**40.08**	**1,093.33%**
Tax expenses:			
Current tax	187.38	50.01	274.60%
Short/(Excess) provision of income tax of earlier years	(6.52)	(6.16)	5.81%
Deferred tax expenses / (credit)	(59.93)	(38.18)	56.96%
MAT credit	-	-	-
Total tax expenses	**120.93**	**5.67**	**2,034.26%**
Profit for the year	**357.40**	**34.41**	**938.72%**

Revenue from operations

Our revenue from operations increased by 39.35% from ₹ 2,448.26 million in Fiscal 2021 to ₹ 3,411.72 million in Fiscal 2022. This increase can be primarily attributed to revenue generated from our sales of products (retail sales net of discounts and gift vouchers provided during the year). The number of EBOs increased from 306 as of March 31, 2021 to 321 as of March 31, 2022. Further majority period of Fiscal 2021 was impacted due to COVID-19 and hence sales were subdued in Fiscal 2021. The provision for sales return increased from ₹31.25 million in Fiscal 2021 to ₹(22.24) million in Fiscal 2022, customer loyalty points and gift vouchers decreased from ₹(22.21) million in Fiscal 2021 to ₹(18.06) million in Fiscal 2022 and discounts decreased from ₹(488.27) million in Fiscal 2021 to ₹(247.55) million in Fiscal 2022.

Other income

Our other income decreased by (16.32)% from ₹ 163.28 million in Fiscal 2021 to ₹ 136.63 million in Fiscal 2022. Such decrease was primarily on account of decrease in COVID-19 related rent concessions from ₹135.78 million in Fiscal 2021 to ₹79.20 million in Fiscal 2022. This decrease was partially offset by increase in the rental income from ₹1.48 million in Fiscal 2021 to ₹2.66 million in Fiscal 2022 and insurance claim from ₹NIL in Fiscal 2021 to ₹12.62 million in Fiscal 2022.

Cost of materials consumed

Our cost of materials consumed increased by 4.45% from ₹ 150.96 million in Fiscal 2021 to ₹ 157.69 million in Fiscal 2022, primarily due to an increase in the purchase of sampling materials from ₹ 137.49 million in Fiscal 2021 to ₹ 162.11 million in Fiscal 2022, on account of increase in business.

Change in inventories of finished goods and stock-in-trade

Our opening stock of finished goods and stock-in-trade was ₹ 539.49 million as at April 1, 2020, while it was ₹ 538.62 million as at April 1, 2021.

Our closing stock of finished goods and stock-in-trade was ₹ 538.62 million as at March 31, 2021, while it was ₹ 605.47 million as at March 31, 2022.

Our purchases of stock-in-trade increased from ₹ 1,098.56 million in Fiscal 2021 to ₹ 1,379.84 million in Fiscal 2022, the changes in inventories of finished goods and stock-in-trade from ₹ 0.87 million in Fiscal 2021 to ₹ (66.85) million in Fiscal 2022 was primarily a result of increase in purchase of stock in trade led by increase in business on account of reductions of restrictions by Government during COVID-19 in Fiscal 2022.

Employee benefits expense

Our employee benefits expense increased by 33.63% from ₹ 218.33 million in Fiscal 2021 to ₹ 291.76 million in Fiscal 2022 primarily on account of an increase in payment of salaries and wages, share based payments to employees and staff welfare expenses. The employee benefit expenses was higher in Fiscal 2022 due to one time ex gratia payment to employees post COVID-19 of ₹35.69 million for their support to the company during COVID-19 period. on account of reopening of stores post COVID-19.

Finance costs

Our finance costs decreased by 10.04% from ₹ 167.20 million in Fiscal 2021 to ₹ 150.42 million in Fiscal 2022, primarily due to decrease in interest expenses for borrowings from ₹23.28 million in Fiscal 2021 to ₹9.97 million in Fiscal 2022, and decrease in interest on lease liabilities from ₹112.18 million in Fiscal 2021 to ₹101.85 million in Fiscal 2022. As a % to total revenue, the finance cost has also reduced from 6.40% in Fiscal 2021 to 4.24% in Fiscal 2022, which has further helped us to improve our margins.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 4.09% from ₹ 440.81 million in Fiscal 2021 to ₹ 458.85 million in Fiscal 2022, on account of an increase in depreciation on right of use assets from ₹315.04 million in Fiscal 2021 to ₹334.54 million in Fiscal 2022. As a % to total revenue, the depreciation and amortization expense has reduced from 16.88% in Fiscal 2021 to 12.93% in Fiscal 2022, which has further helped us to improve our margins.

Other expenses

Our other expenses increased by 41.15% from ₹ 494.73 million in Fiscal 2021 to ₹ 698.32 million in Fiscal 2022, generally in line with the increase in business due to relaxation of restrictions during COVID 19 As a % to total revenue, the other expenses has increased from 18.78% in Fiscal 2021 to 19.68% in Fiscal 2022, which has marginally decreased the margins. The absolute increase was mainly driven by increase in (i) rent from ₹38.57 million to ₹40.61 million, (ii) travelling and conveyance from ₹14.50 million to ₹21.38 million, (iii) freight charges from ₹30.36 million to ₹35.75 million, (iv) sales commission and brokerage from ₹102.83 million to ₹121.75 million, (v) advertisement and sales promotion from ₹15.02 million to ₹22.31 million, (vi) store expenses from ₹52.36 million to ₹59.77 million, (vii) manpower expenses from ₹106.71 million to ₹153.68 million, (viii) allowance for expected credit loss from ₹0.10 million to ₹103.88 million, and (ix) allowance for doubtful deposits from ₹NIL to ₹7.72 million, this increase was partially set off by decrease in expenses under the head of loss on property, plant and equipment sold/ scrapped/ written off from ₹11.60 million to ₹6.31 million.

Profit before tax

As a result of the foregoing, we recorded an absolute increase of 1,093.33% in our profit before tax, from ₹ 40.08 million in Fiscal 2021 to ₹ 478.33 million in Fiscal 2022 on account of improvement in business post opening of stores due to relaxations given by Government for COVID -19. The PBT margin increased from 1.53% in Fiscal 2021 to 13.48% in Fiscal 2022.

Tax expenses

Our tax expenses increased by 2,034.26% from ₹ 5.67 million in Fiscal 2021 to ₹ 120.93 million in Fiscal 2022. Our effective tax rate in Fiscal 2021 and Fiscal 2022 was 14.14% and 25.28%, respectively. The increase in our tax expenses in Fiscal 2022 was primarily due to an increase in the profit before tax, which was attributable to the increase in revenues and also due to decrease in deferred tax mainly on account of creation of provision for doubtful debts in Fiscal 2022 and impact of two transition dates under IND AS.

Profit for the year

As a result of the foregoing, we recorded an increase of 938.72% in our profit for the year from ₹ 34.41 million in Fiscal 2021 to ₹ 357.40 million in Fiscal 2022. The profit before tax margin increased from 1.32% in Fiscal 2021 to 10.07% in Fiscal 2022.

Liquidity and Capital Resources

We have historically financed the expansion of our business and operations primarily through internal accruals, through capital infusion by investors and bank financing. From time to time, we may obtain loan facilities to finance our working capital requirements.

Cash Flows

The following table summarizes our cash flows for the Fiscal 2023, Fiscal 2022 and Fiscal 2021:

(₹ in millions)

Particulars	For the year ended March 31,		
	2023	2022	2021
Net cash flow from operating activities	724.10	783.82	956.38
Net cash flow generated from/(used in) investing activities	(190.85)	(279.54)	(59.12)
Net cash flow (used in)/generated from financing activities	(818.71)	(390.36)	(660.92)
Net increase/decrease in cash and cash equivalents	(285.46)	113.92	236.34
Cash and cash equivalent at the beginning of the year	362.70	248.78	12.44
Cash and cash equivalents at the end of the year	77.24	362.70	248.78

Cash flows from operating activities

We generated ₹724.10 million net cash from operating activities during Fiscal 2023. While our profit before tax was ₹1,038.12 million, we had an operating profit before working capital changes of ₹1,678.34 million, primarily due to adjustments for depreciation and amortization expenses of ₹534.30 million, allowance for expected credit loss of ₹10.84 million, interest income on bank deposits, security deposits and lease liabilities of ₹146.21 million and variable lease rent income of ₹(4.25) million. Our adjustments for working capital changes for Fiscal 2023 primarily consisted of (i) increase in inventories of ₹(476.65) million, (ii) increase in trade receivables of ₹117.63 million, (iii) increase in other financial liabilities of ₹23.45 million.

We generated ₹ 783.82 million net cash from operating activities during Fiscal 2022. While our profit before tax was ₹ 478.33 million, we had an operating profit before working capital changes of ₹ 1,086.66 million, primarily due to adjustments for depreciation and amortization expenses of ₹ 458.85 million, allowance for expected credit loss of ₹ 111.60 million, interest income on bank deposits, security deposits and lease liabilities of ₹132.23 million and variable lease rent income of ₹ (2.66) million. Our adjustments for working capital changes for Fiscal 2022 primarily consisted of (i) increase in inventories of ₹ (71.29) million, (ii) increase in trade receivables of ₹ (112.91) million, (iii) increase in other financial liabilities of ₹ 106.44 million.

We generated ₹ 956.38 million net cash from operating activities during Fiscal 2021. While our profit before tax was ₹ 40.08 million, we had an operating profit before working capital changes of ₹ 503.61 million, primarily due to adjustments for depreciation and amortization expenses of ₹ 440.81 million, interest income on bank deposits, security deposits and lease liabilities of ₹155.17 million and variable lease rent income of ₹ (1.48) million. Our adjustments for working capital changes for Fiscal 2021 primarily consisted of (i) increase in inventories of ₹ 14.35 million and increase in trade payables of ₹ 134.19 million.

Cash flows used in investing activities

Net cash used in investing activities was ₹(190.85) million for the Fiscal 2023, primarily on account of ₹ (341.48) million used towards capital expenditure on property, plant and equipment including capital work-in-progress and capital advances, ₹9.17 million used towards interest received, ₹139.74 million used towards in demand deposit accounts having maturity more than three months and ₹4.25 million used towards rent received.

Net cash used in investing activities was ₹ (279.54) million for the Fiscal 2022, primarily on account of ₹ (152.25) million used towards capital expenditure on property, plant and equipment including capital work-in-progress and capital advances, ₹ 10.00 million used towards interest received, ₹(140.14) million used towards in demand deposit accounts having maturity more than three months and ₹ 2.66 million used towards rent received.

Net cash used in investing activities was ₹ (59.12) million for the Fiscal 2021, primarily on account of ₹ (59.08) million used towards capital expenditure on property, plant and equipment including capital work-in-progress and capital advances, ₹ 2.09 million used towards interest received, ₹(3.70) million used towards in demand deposit accounts having maturity more than three months and ₹ 1.48 million used towards rent received.

Cash flows used in financing activities

Net cash used in financing activities for Fiscal 2023 amounted to ₹(818.71) million, which primarily consisted of repayment of short term borrowings amounting to ₹(33.85) million, repayment of lease liabilities amounting to ₹(432.62) million and interest paid amounting to ₹(30.96) million.

Net cash used in financing activities for Fiscal 2022 amounted to ₹ (390.36) million, which primarily consisted of repayment of short term borrowings amounting to ₹ (17.63) million, repayment of lease liabilities amounting to ₹(342.35) million and interest paid amounting to ₹(30.38) million.

Net cash used in financing activities for Fiscal 2021 amounted to ₹ (660.92) million, which primarily consisted of repayment of long term borrowings amounting to ₹5.23 million and short term borrowings amounting to ₹ (287.31) million, repayment of lease liabilities amounting to ₹(335.85) million and interest paid amounting to ₹(42.99) million.

Financial Indebtedness

The following table sets forth our secured and unsecured debt position as of March 31, 2023.

(₹ in millions)

Category of borrowings	Sanctioned amount as on March 31, 2023	Outstanding amount as on March 31, 2023
Secured		
Working capital facilities		
*Fund based**	700.00	Nil
Non-fund based@	298.00	Nil
Term loans	125.70	100.79
Total	**825.70#**	**100.79**

Notes:

**Fund based limit includes limit of ₹ 298.00 million which can be used as non-fund based limit.*

@Non-fund based limit includes limit of ₹ 298.00 million which is inter changeable between fund based and non-fund based limit.

 # Non-fund based limit is the sub limit of fund based limit and which is already been included in fund based limit hence not considered in total.

Contingent Liabilities and Commitments

Contingent liabilities, to the extent not provided for, as of March 31, 2023, March 31, 2022 and March 31, 2021, as determined in accordance with Ind AS 37, are described below.

(₹ in millions)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
A. Contingent liabilities			
(i) Claims against the company not acknowledged as debts (Refer note (i) below)			
(a) Demand raised by income tax authorities	4.00	4.38	-
(b) Bonus liability for the FY 2014-15 pending settlement with judiciary authorities	3.87	3.87	3.87
(c) Claims against Group not acknowledged as debt	3.71	2.29	-
B. Commitments			
Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances) (Refer note (ii) below)	11.12	11.66	4.39

Notes:

(i) No provision is considered necessary since the Group expects favorable decisions.

(ii) Apart from the commitments disclosed above, the Group has no financial commitments other than those in the nature of regular business operations.

(iii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

For further details of our contingent liabilities, see "*Restated Consolidated Financial Information– Note 33 – Contingent liabilities and commitments (to the extent not provided for)*" on page 241.

Capital expenditure

For the financial years ending March 31, 2023, March 31, 2022 and March 31, 2021, our capital expenditures towards fixed assets (property, plant and equipment) were ₹615.36 million, ₹402.83 million and ₹386.86 million, right of use assets were ₹1,731.27 million, ₹1,371.25 million and ₹1,371.47 million, respectively and capital work-in-progress were ₹2.08 million, ₹5.58 million and ₹4.35 million, respectively.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks that are related to the normal course of our operations such as interest rate risk, liquidity risk, currency risk, price risk, foreign currency risk, credit risk and reputational risk, which may affect economic growth in India and the value of our financial liabilities, our cash flows and our results of operations.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. Market risk includes currency risk, interest risk and price risk. There are no material market risk affecting the financial position of our Company.

Currency Risk

Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material currency risk affecting the financial position of our Company.

Interest Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligation and cash flow of a business. There are no material interest risk affecting the financial position of our Company.

Price Risk

Price risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. There are no material price risk affecting the financial position of our Company.

Foreign currency risk management

We undertake transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

(₹ in millions)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Assets (INR)			
USD	0.06	0.05	0.05
HKD	0.00	0.00	0.00
SGD	0.00	0.00	0.00
Total	**0.06**	**0.05**	**0.05**
Liabilities (INR)			
USD	-	-	-
HKD	-	-	-
SGD	-	-	-
Total	-	-	-

Foreign currency sensitivity analysis

Our Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables. The following table details our Company's sensitivity to a 10% increase and decrease in the INR against the relevant outstanding foreign currency denominated monetary items. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where ₹ appreciates 10% against the relevant currency. A negative number below indicates a decrease in profit or equity where the Rupee depreciates 10% against the relevant currency.

(₹ in millions)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Profit or (loss)			
INR strengthens by 10%	(0.01)	(0.01)	(0.01)
INR weakening by 10%	0.01	0.01	0.01

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The concentration of credit risk in relation to trade receivables is high. Credit risk has always been monitored and managed by our Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which our Company grants credit terms in the normal course of business.

Bank balances are held with reputed and creditworthy banking institutions.

Financial instrument and cash deposit

Credit risk is limited as our Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by our Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk management

Our Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

Reservations, Qualifications and Adverse Remarks included in Restated Consolidated Financial Information

There have been no reservations or qualifications or adverse remarks of our Statutory Auditors included in the Restated Consolidated Financial Information in the last three fiscal years:

In the audit reports on the audited standalone financial statements of our Company for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021, there are certain matters in relation to delay in payment of statutory dues which were included in the Companies (Auditor's Report) Order, 2020 (the "**CARO Report**") issued by the Central Government of India under Section 143(11) of the Companies Act, 2013.

(a) Undisputed statutory dues in arrears as at March 31, 2023, March 31, 2022 and March 31, 2021 for a period of more than six months from the date they became payable:

As at March 31, 2023

Name of Statute	Nature of Dues	Period for which the amount relates	Amount (Rs. in millions)	Due Date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	FY 2018-19 to FY 2019-20 FY 2021-22	0.08	Various Dates	Not Paid

As at March 31, 2022

Name of Statute	Nature of Dues	Period for which the amount relates	Amount (Rs. in millions)	Due Date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	FY 2018-19 to FY 2019-20 FY 2021-22	0.08	Various Dates(15th of every month starting from April, 2018)	Not Paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	FY 2021-22	0.04	June 15, 2021	July 29, 2022

Professional Tax	Professional Tax	FY 2021-22	0.02	Various Date	Various Date

As at March 31, 2021

Name of Statute	Nature of Dues	Period for which the amount relates	Amount (Rs. in millions)	Due Date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	FY 2018-19 and FY 2019-20	0.07	Various Dates(15th of every month starting from April, 2018)	Not Paid

(b) Details of statutory dues which have not been deposited as on March 31, 2023, March 31, 2022 and March 31, 2021 on account of disputes:

As at March 31, 2023

Name of the Statute	Nature of the Dues	Amount (₹ in millions)	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act 1961	Income Tax	1.18	FY 2010-11	The Commissioner of Income-tax (Appeals)
Income Tax Act 1961	Income Tax	2.82	FY 2015-16	National Faceless Appeal Center

As at March 31, 2022

Name of the Statute	Nature of the Dues	Amount (₹ in millions)	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act 1961	Income Tax	0.39	FY 2019	IT CPC(Central Processing Center)
Income Tax Act 1961	Income Tax	2.82	FY 2015-16	NFAC (National Faceless Appeal Center)

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see "*Restated Consolidated Financial Information - Note 39 - Related Party Transactions and Balances*" on page 246 of this Draft Red Herring Prospectus.

Significant Economic Changes

Other than as described above, to the best of the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations. For further details, please see *"Our Business"* and *"Risk Factors"* on pages 146 and 23, respectively.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled

"*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 260 and the uncertainties described in the section titled "*Risk Factors*" beginning on page 23 of this Draft Red Herring Prospectus. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described above and in *"Our Business"* and *"Risk Factors"* on pages 146 and 23, respectively, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New Products or Business Segments

Other than as disclosed in this section and in *"Our Business"* on page 146, as on the date of this Draft Red Herring Prospectus, there are no new products or business segments that have had or are expected to have a material impact on our business prospects, results of operations or financial condition.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three Financial Years are as described in *"Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of operations for the Fiscal 2023 compared with Fiscal 2022"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of operations for the Fiscal 2022 compared with Fiscal 2021"* above on pages 269 and 270, respectively.

Significant dependence on a single or few suppliers or customers

Our Company does not have any significant dependence on single or few suppliers or customers.

Seasonality and Cyclicality of Business

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a financial year. Therefore, our results of operations and cash flows across quarters in a financial year may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods. For details, please see *"Risk Factors – Our business is subject to seasonality. Lower sales and revenue may adversely affect our business, financial condition, and results of operations"* beginning on page 27.

Competitive Conditions

We expect to continue to compete with existing and potential competitors. For details, please refer to the discussions of our competition in the sections "*Risk Factors*", *"Industry Overview"* and "*Our Business*" on pages 23, 114 and 146, respectively.

Significant Developments after March 31, 2023, that may affect our future results of operations

Except as stated below, no circumstances have arisen since the date of the Restated Consolidated Financial Information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations, trading or profitability, the value of our assets or our ability to pay our material liabilities within the next twelve months.

(a) *Conversion of the Company from a Private Limited to Public Limited Company:*
Pursuant to resolution passed by the Board Of Directors dated April 7, 2023, and the Shareholders in the Extraordinary General Meeting dated April 18, 2023 and as approved by the RoC with effect from May 11, 2023, our Company has been converted from Private Limited Company into a Public Limited Company, including adoption of new Memorandum of Association and new Articles of Association as applicable to a Public Company, in place of the existing Memorandum of Association and Articles of Association of our Company.

(b) *Bonus Issue:*
Our Company has allotted 9,645,282 equity shares in the ratio of 3 Equity Shares for every 1 equity share of face value of ₹ 10 of our Company in the Board meeting dated April 7, 2023 pursuant to bonus issue approved by the Shareholders in the Extraordinary General Meeting held on February 14, 2023.

(c) *Split of Face Value:*

Pursuant to a Board resolution dated April 7, 2023 and Shareholders' resolution dated April 18, 2023, each equity share of the Company of face value ₹10 was sub-divided into 5 Equity Shares of face value of ₹ 2 each and accordingly, the issued and paid-up equity share capital of the Company aggregating to ₹ 128,603,760 was sub-divided from 12,860,376 equity shares of ₹ 10 each to 64,301,880 equity shares of ₹ 2 each.

(d) *Impact of Bonus-issue and Sub-division adjustment on ESOP Scheme 2020:*

Pursuant to the aforesaid corporate action mentioned in (b) and (c) undertaken by the Group, sub-division and bonus adjustment shall be made to the stock options (which includes vested, unvested and yet to be granted stock options) and respective exercise price to the stock options, which have already been granted to employees from time to time of the Group under the ESOP Scheme 2020 shall be changed accordingly.

FINANCIAL INDEBTEDNESS

Our Company avails loans and financing facilities in the ordinary course of business to meet our working capital and operational requirements, and for general corporate purposes. Our Company and Subsidiaries have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including but not limited to, effecting a change in our shareholding pattern, amending constitutional documents including the memorandum of association and articles of association, changing the Board composition, and so on.

For details regarding the borrowing powers of our Board, see "*Our Management – Borrowing Powers of Board*" and "*Risk Factors*" on pages 182 and 23, respectively. Set forth below is a brief summary of our aggregate borrowings as of March 31, 2023:

(in ₹ million)

Category of borrowings	Sanctioned amount as on March 31, 2023	Outstanding amount as on March 31, 2023
Working capital facilities		
Fund based**	700.00	Nil
Non-Fund based@	298.00	Nil
Term loans		
Secured	125.70	100.79
Total	**825.70#**	**100.79**

* *As certified by Dileep & Prithvi, Chartered Accountants, pursuant to their certificate dated July 12, 2023.*
** *Fund based limit includes limit of ₹ 298.00 million which can be used as non-fund based limit.*
@ *Non-fund based limit includes limit of ₹ 298.00 million which is inter changeable between fund based and non-fund based limit.*
# *Non-fund based limit is the sub limit of fund based limit and which is already been included in fund based limit hence not considered in total.*

Principal terms of the facilities sanctioned to our Company:

The details below are indicative and there may be additional terms, conditions and requirements under the various borrowing agreements entered into by our Company.

1. ***Interest:*** In respect of the facilities sanctioned to our Company, the current prevailing interest rate ranges from 8.15% per annum to 10.80% per annum. The interest rate for the loans sanctioned to our Company is typically tied to a base rate / marginal cost of lending rate, which may vary from lender to lender.

2. ***Tenor:*** Typically, the tenor of the facilities sanctioned to our Company are as follows:

   a) Term loans: for a period of up to six years;

   b) Cash credit: ranging between twelve months up to six months; and

   c) Working capital facility: for a period of up to six months.

3. ***Security:*** The facilities sanctioned are typically secured by way of hypothecation on our assets, plant & machinery, furniture and fixtures mortgage on specified property of our Company (including buildings), charge on fixed, current assets (including book debts) and assignment on the 'Mufti' brand of the Company. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.

4. ***Pre-payment:*** The facilities availed by our Company allow pre-payment. Certain facilities allow for pre-payment of the outstanding amount by serving prior notice to the lender. Pre-payment may be subject to pre-payment penalties as may be prescribed. These pre-payment penalties typically is up to 2.00% of the principal amount or of the amount being prepaid.

5. ***Re-payment:*** Our Company may repay all amounts of the facilities on the specified due dates for payment. Certain of our loans are repayable on demand.

6. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including, among others:

   a) failure or inability to pay outstanding principal and interest amounts on due dates;

   b) providing incorrect or misleading information and representations;

c) providing inadequate security or insurance;

d) liquidation or dissolution of our Company;

e) cessation or change in business or control of our Company;

f) cross default; and

g) default in the performance of any covenant, condition or undertaking on our part.

This is an indicative list and there may be additional terms that may amount to an event of default under the borrowing arrangements entered into by our Company.

7. ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangements, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

a) terminate and cancel either whole or part of the facility;

b) suspend further access/drawals, either in whole or in part, of the facility;

c) appoint a nominee director on the Board;

d) impose a monetary penalty;

e) accelerate repayments/ initiate recall of the loans;

f) convert the entire facility and/or the unpaid interest and/or all other payable monies by the borrower, in part or in full, in one or more tranches, into fully paid-up equity shares of the borrower.

8. ***Restrictive Covenants:*** The facilities sanctioned to our Company contain certain restrictive covenants, which require prior written consent of the lender or prior intimation to be made to the lender, including:

a) any change in the ownership or control of the Company whereby the effective beneficial ownership or control of the Company shall change;

b) any material change in the management of the business;

c) any amendments in the memorandum and articles of association;

d) use the trade names, trademarks, service marks, logos, designs, copyright or other similar proprietary designations, registered or unregistered, owned and/or used by the lenders and/ or communicated to the Company by the lenders;

e) undertake any new project without demonstrating the financial viability of the same to the lenders;

f) any change in its capital structure (including any change in the shareholding pattern which shall in any way be subject to the provisions of the finance documents);

g) implement any scheme of expansion/ diversification or capital expenditure or acquire fixed assets (except normal replacement indicated in funds flow statement submitted to and approved by the lender) if such investment results in breach of Financial Covenants or diversion of working capital funds on financing of long term assets;

h) approach the capital market for mobilizing additional resources either in the form of debt or equity; and

i) implement any scheme of expansion / modernization / diversification.

This is an indicative list and there may be such other additional terms under the borrowing arrangements entered into by our Company, that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing agreements entered into by our Company, which may lead to consequences other than those stated above. We are also required to keep our lenders informed of any event likely to have a substantial effect on our business.

For the purpose of the Offer, our Company has obtained the necessary consents from our lenders as required under the relevant borrowing arrangements for undertaking activities relating to the Offer, such as, *inter alia,* effecting changes to our shareholding and making amendments to our memorandum and articles of association.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – We have incurred indebtedness and an inability to comply with repayment and other covenants in our financial arrangements could adversely affect our business and financial condition. Further, certain of our financial agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition*" on page 31.

SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material as per the Materiality Policy adopted pursuant to the Board resolution dated June 26, 2023, in each case involving our Company, Subsidiary, Promoters and Directors ("**Relevant Parties**"). There are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters in the last five financial years including any outstanding action.*

Further, our Company does not have any Group Companies.

For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation in relation to the Relevant Parties to be disclosed in this Draft Red Herring Prospectus pursuant to the Board resolution dated June 26, 2023:

(i) *All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or the Stock Exchanges against the Promoters in the last five financial years including any outstanding action and tax matters (direct or indirect), would be considered 'material' if: (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of the profit after tax of our Company for the last completed Fiscal as per the Restated Consolidated Financial Information, i.e. ₹ 7.75 million; or (ii) where monetary liability is not quantifiable, or any other outstanding litigation, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects, reputation, results of operations or cash flows of the Company or any adverse impact on the Company; or (iii) where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed ₹ 7.75 million; or (iv) any outstanding litigation filed against the Company, which are winding up petitions under the Companies Act, 2013, as amended, or are corporate insolvency resolutions process under the Insolvency and Bankruptcy Code, 2016.*

It is further clarified that for the purposes of the above, pre-litigation notices received by any of the Relevant Parties from third parties (excluding such notices issued by statutory/regulatory/governmental/taxation authorities or noticed threatening criminal action) have not and shall, unless otherwise decided by our Board, not be considered as material until such time that the Relevant Parties are impleaded as defendants or respondents in litigation proceedings before any judicial forum/arbitral forum. Further, FIRs (whether cognizance has been taken or not) initiated against the Relevant Parties shall be disclosed in this Draft Red Herring Prospectus.

Except as stated in this section, there are no material outstanding dues to creditors of our Company. For this purpose, our Board has pursuant to the Board resolution dated June 26, 2023, considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this Materiality Policy, outstanding dues to any creditor of the Company having a monetary value which exceeds 2% of the total trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Information of the Company, shall be considered as 'material'. Accordingly, as on March 31, 2023 any outstanding dues exceeding ₹ 8.49 million have been considered as material outstanding dues for the purposes of disclosure in this section. For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder.

I. Litigation involving our Company

A. Litigation against our Company

(i) Material pending Civil Litigation

Nil

(ii) Criminal Litigation

Nil

(iii) Actions Taken by Regulatory and Statutory Authorities

Nil

B. Litigation by our Company

(i) *Material pending Civil Litigation*

The Company (the "**Plaintiff**") has filed a civil petition in January 2018 before the Delhi High Court against Paras Bansal and Sanjay Bansal (the "**Defendants**"). This civil suit was filed by the Plaintiff for a permanent injunction restraining the infringement of trademark, copyright, passing off, rendition of accounts and other reliefs. The Plaintiff has claimed that the Defendants have allegedly deceptively used the Company's registered trademark and thereby have been selling inferior quality and counterfeit products across the country as well as on e-commerce platforms. The Plaintiff filed a first information report dated August 9, 2017 ("**FIR**") with the Gandhi Nagar Police Station, Delhi under Sections 63 of the Copyright Act, 1957 and Section 420 of the Indian Penal Code, 1860, whereby the Defendant's premises/shops were raided by the police and the infringing goods violating the Plaintiff's intellectual property rights were seized. The Plaintiff has prayed before the Honorable High Court for a permanent injunction restraining the infringement of trademark, copyright, passing off, rendition of accounts and receipt of damages to the extent of ₹ 11.00 million. The matter is currently pending before the Delhi High Court.

(ii) *Criminal Litigation*

Our Company, in the ordinary course of business, has filed three proceedings aggregating to an amount of ₹ 1.02 million against defaulting persons under section 138 of the Negotiable Instruments Act, 1881. Such proceedings are pending before various adjudicating forums.

II. Litigation involving our Subsidiary

A. Litigation against our Subsidiary

(i) *Material pending Civil Litigation*

Nil

(ii) *Criminal Litigation*

Nil

(iii) *Actions taken by Regulatory and Statutory Authorities*

Nil

B. Litigation by our Subsidiary

(i) *Material Pending Civil Litigation*

Nil

(ii) *Criminal Litigation*

Nil

III. Litigation involving our Promoters

A. Litigation against our Promoters

1. *Material pending Civil Litigation*

Nil

2. *Criminal Litigation*

Nil

3. *Actions Taken by Regulatory and Statutory Authorities*

Nil

4. *Disciplinary actions including penalty imposed by SEBI or the Stock Exchanges against our Promoters in the last five Financial Years*

Nil

B. **Litigation by our Promoters**

1. *Material pending Civil Litigation*

Nil

2. *Criminal Litigation*

Nil

IV. Litigation involving our Directors

A. Litigation against our Directors

1. *Material pending Civil Litigation*

Nil

2. *Criminal Litigation*

Nil

3. *Actions Taken by Regulatory and Statutory Authorities*

Nil

B. Litigation by our Directors

1. *Civil Litigation*

Nil

2. *Criminal Litigation*

Nil

Tax Claims

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Subsidiary, Directors and Promoters.

Nature of case	Number of cases	Amount involved (₹ in million)
Company		
Direct Tax	2	4.00
Indirect Tax	Nil	Nil
Subsidiary		
Direct Tax	1	0.00
Indirect Tax	Nil	Nil
Directors		
Direct Tax	5#	10.80
Indirect Tax	Nil	Nil
Promoters		
Direct Tax	5#	10.80
Indirect Tax	Nil	Nil

 # These are the same matters involving the Promoters of the Company, namely Kamal Khushlani and Poonam Khushlani.
Note: As certified by Dileep & Prithvi, Chartered Accountants, by way of their certificate dated July 13, 2023.

Outstanding dues to Creditors

As of March 31, 2023, the total number of creditors of our Company was 596 and the total outstanding dues to these creditors by our Company was ₹ 424.68 million. Our Company owes an amount of ₹ 6.65 million to micro, small and medium enterprises ("**MSMEs**") as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

As per the Materiality Policy, creditors of our Company to whom an amount exceeding 2.00% (i.e. ₹ 8.49 million) of the total trade payables of the Company as per the latest Restated Consolidated Financial Information of the Company as at March 31, 2023, disclosed in the Draft Red Herring Prospectus shall be considered as 'material' creditors of our Company. As of March 31, 2023, there are 10 material creditors to whom our Company owes an aggregate amount of ₹ 224.46 million. The details pertaining to net outstanding dues towards our material creditors, along with their names and amount involved in respect of each material creditor, are available on the website of our Company at https://www.credobrands.in/investors. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus and investors should not make any investment decision based on information available on the website of our Company. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

Details of outstanding dues owed to MSMEs, material creditors and other creditors as of March 31, 2023, are set out below:

Types of Creditors	Number of Creditors*	Amount involved (in ₹ million)
Dues to micro, small and medium enterprises (the "**Small-scale undertaking**")	33	6.65
Material creditors	10	224.46
Other creditors	553	193.57
Total	**596**	**424.68**

Note: As certified by Dileep & Prithvi, Chartered Accountants by way of their certificate dated July 11, 2023.

Material Developments

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant developments after March 31, 2023 that may affect our future results of operations"* on page 278, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of material approvals, registrations, permits and licenses from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations. Except as disclosed herein, we have obtained all material consents, licenses, permissions, registrations and approvals from various governmental, statutory and regulatory authorities which are necessary for undertaking our current business activities and operations. In view of these material approvals, registrations, permits and licenses, our Company can undertake the Offer and its business activities and operations. In addition, certain of our material approvals, registrations, permits and licenses may expire in the ordinary course of business and our Company has either already made applications to the appropriate authorities for renewal or is in the process of making such renewal applications of such key approvals, as necessary. For details in connection with the applicable regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 164.

Further, several material approvals and licenses required for our business operations are currently in the previous name of our Company. Our Company has made or is in the process of making applications to the relevant authorities, intimating them of the change in name, and accordingly we are in the process of seeking revised licenses or approvals in the new name of our Company. In case of franchisee operated EBOs of the Company, the obligation to obtain the required licenses lies with the operators of the franchise EBOs. In case the franchise operators fail to obtain the necessary approvals such as shops and establishments license and trade license, it may result in adverse consequences such as imposition of penalties and potential closure of such EBOs which will have an impact on the operations of such EBOs.

For details of the risks relating to the material approvals required in relation to our business see "Risk Factors – Any failure in obtaining or renewing approvals, licenses, registrations and permissions for our stores and warehouses to operate our business in a timely manner, or at all, may adversely affect our business, financial conditions and results of operations." on page 45.

I. Incorporation details

1. Certificate of incorporation dated April 29, 1999, in the name of 'Credo Brands Marketing Private Limited'.

2. Fresh certificate of incorporation dated May 11, 2023, for conversion of our Company from a private limited company to a public limited company and change in name of our Company to 'Credo Brands Marketing Limited".

3. The CIN of our Company is U18101MH1999PLC119669.

For further details, see "*History and Corporate Matters"* on page 170.

II. Approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 289.

III. Material approvals obtained in relation to our Company

We require various approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements as disclosed below. We have received the following material approvals pertaining to our business:

A. Tax related approvals

1. The permanent account number of our Company is AABCC5073H.

2. The tax deduction account number of our Company is MUMC11394F.

3. Our Company has obtained goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations applicable in the states and union territories where our business operations are located.

4. Our Company has obtained certificate of enrolment under the applicable provisions of the tax on professions, trades, callings and employment legislations applicable in the states and union territories where our business operations are located.

B. ***Labour related approvals***

Our Company has obtained registrations, under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Contract Labour (Regulation and Abolition) Act, 1970.

C. ***Intellectual property***

As on the date of this DRHP, our Company has 35 registered trademarks under the Classes 3, 9, 18, 24, 25, 26 and 35 of the Trademarks Act, 1999. Further, our Company also has three registered copyrights under the Copyrights Act, 1957. For further details, please see *"Our Business – Intellectual Property"* on page 163.

D. ***Business related approvals***

(i) Our Company runs a sampling unit at our Registered and Corporate office for which our Company possesses a factory license.

(ii) Our Company possesses an importer-exporter code from the Ministry of Commerce and Industry for the purposes of carrying out its retail business.

(iii) Our Company has obtained registrations in the normal course of business for our stores and warehouse across various states in India including trade licenses, goods and services tax, shops and establishments registrations issued by various state labour departments under the respective state legislations, legal metrology license, fire license/no-objection and licenses for location of business issued by relevant municipal authorities under applicable laws.

(iv) Our Company has obtained public performance licenses and the license issued by the Indian Performing Rights Society Limited, as recognised under the Copyright Act, 1957, for the purposes of advertising and marketing of their brand and products at their stores and various public locations.

IV. Material approvals expired and yet to be applied for renewal

Sr. No.	License Category	No. of licenses
1.	Shops and Establishments License	1
2.	Trade License	2

V. Material approvals expired, for which renewal has been applied for and are currently awaiting grant

Sr. No.	License Category	No. of licenses
1.	Shops and Establishments License	2
2.	Public Performance License	8
3.	Trade License	2

VI. Material approvals required and yet to be applied for

Sr. No.	License Category	No. of licenses
1.	Shops and Establishments License	1
2.	Trade License	1

VII. Material approvals required, for which application has been made and are currently awaiting grant

Sr. No.	License Category	No. of licenses
1.	Shops and Establishments License	9
2.	Copyright License	1
3.	Trade License	25

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution of our Board of Directors dated June 26, 2023. Further, our Board has taken on record the respective approvals for the Offer for Sale by the Selling Shareholders in its meeting held on July 13, 2023.

This Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on July 13, 2023.

Approval from the Selling Shareholders

The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	Aggregate number of Equity Shares being offered in the Offer for Sale	Date of corporate approval	Date of consent letter
Kamal Khushlani	Up to 4,140,000 Equity Shares	NA	July 7, 2023
Poonam Khushlani	Up to 4,275,000 Equity Shares	NA	July 7, 2023
Sonakshi Khushlani	Up to 108,000 Equity Shares	NA	July 7, 2023
Andrew Khushlani	Up to 108,000 Equity Shares	NA	July 7, 2023
Concept Communication Limited	Up to 2,032,260 Equity Shares	May 26, 2023	July 7, 2023
Bela Properties Private Limited	Up to 5,031,260 Equity Shares	June 13, 2023	July 7, 2023
Jay Milan Mehta	Up to 1,970,220 Equity Shares	NA	July 7, 2023
Sagar Milan Mehta	Up to 1,970,220 Equity Shares	NA	July 7, 2023

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Subsidiary, Promoters, members of the Promoter Group, Directors, Selling Shareholders, persons in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters and Fraudulent Borrowers issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under Section 12 and Regulation 2(1)(p) of the Fugitive Economic Offenders Act, 2018 and the SEBI ICDR Regulations, respectively.

The Selling Shareholders severally and not jointly confirm that they have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of the Promoter Group, and the Selling Shareholders confirm that they are, severally and not jointly, in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

- Our Company has not changed its name in the last one year.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Consolidated Financial Information:

S. No.	Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
A.	Restated net tangible assets(1) (A) (₹in million)	2,694.31	2,234.57	1,825.26
B.	Restated monetary assets(2) (B) (₹in million)	81.35	506.54	252.48
C.	% of Monetary assets to net tangible assets (B/A*100)	3.02	22.67	13.83
D.	Net worth(3) (₹in million)	2,813.51	2,357.26	1,923.33
E.	Restated pre-tax operating profits(4) (₹in million)	1,104.20	492.12	44.00

1. *'Restated Net tangible assets' mean the sum of all net assets of our Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38, as applicable, issued by ICAI and in accordance with Regulation 2(1)(gg) of the SEBI ICDR Regulations.*
2. *'Restated monetary assets' means cash in hand and balance with the bank.*
3. *'Net worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
4. *'Restated pre-tax operating profit' means restated profit before tax excluding other income, finance cost and other comprehensive income.*

Our Company has operating profit in each of the Fiscals 2023, 2022 and 2021 as per the Restated Consolidated Financial Information. Our average restated operating profit for Fiscals 2023, 2022 and 2021 is ₹ 546.77 million.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoters, members of the Promoter Group, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters, or Directors is a Wilful Defaulter or Fraudulent Borrower;

(iv) None of our Directors or Promoters have been declared as a fugitive economic offender under Section 12 and Regulation 2(1)(p) of the Fugitive Economic Offenders Act, 2018 and the SEBI ICDR Regulations, respectively;

(v) Except for the issue of Equity Shares pursuant to exercise of options granted under ESOP Scheme 2020, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company along with the Registrar to the Company has entered into tripartite agreements dated March 4, 2014 and February 10, 2023 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

(vii) The Equity Shares of our Company held by the Promoters and Selling Shareholders are in dematerialised form;

(viii) Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith;

(ix) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

(x) Our Company has appointed [●] as the Designated Stock Exchange.

(xi) Since the Offer is through an Offer for Sale, Regulation 7(1)(e) (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance for a specific project proposed to be funded from the Offer proceeds, excluding the amount to be raised through the Offer and existing identifiable internal accruals) shall not apply;

Each of the Selling Shareholders has severally and not jointly confirmed compliance with Regulation 8 of the SEBI ICDR Regulations and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING DAM CAPITAL ADVISORS LIMITED, ICICI SECURITIES LIMITED AND KEYNOTE FINANCIAL SERVICES LIMITED ("BRLMS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 13, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, the Selling Shareholders, our Directors and the BRLMs 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 our instance and anyone placing reliance on any other source of information, including our Company's websites, being www.credobrands.in and www.muftijeans.in, or the respective websites of our Promoters or any affiliate of our Company would be doing so at his or her own risk. Each Selling Shareholder and their respective affiliates and associates accept or undertake no responsibility for any statements other than those undertaken or confirmed by such Selling Shareholder in relation to themselves and their respective portion of the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders, and our Company.

All information shall be made available by our Company, each Selling Shareholders (with respect to itself and its respective portion of the Offered Shares) and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders 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 otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) 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.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, BRLMs, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders, their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid / Offer Closing Date or within such other period as may be prescribed. Each Selling Shareholder confirms that they shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid / Offer Closing Date, or within such other period as may be prescribed. If the Company does not Allot the Equity Shares within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable law. For avoidance of doubt, no liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, independent chartered accountant, Legal Counsel to the Company, Bankers to our Company, the BRLMs, Registrar to the Offer, industry data provider i.e. Technopak Advisors Private Limited, have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account Bank/ Sponsor Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013. All such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated July 13, 2023 from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of the examination report dated June 26, 2023 relating to the Restated Consolidated Financial Information issued by them and included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Our Company has received written consent dated July 11, 2023 from Dileep & Prithvi, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the independent chartered accountant in respect of the certificates including the statement of possible special tax benefits dated July 10, 2023 issued by them and the details derived from the certificates included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Consent dated July 13, 2023 from S Pardeshi & Associates, Company Secretaries, to include their name in this Draft Red

Herring Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a practicing company secretary and in respect of the report issued by them, the details derived from the report and to be included in this Draft Red Herring Prospectus;

Particulars regarding capital issues by our Company and listed group companies, subsidiary, or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 76, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed group company or any listed subsidiary or a listed associate entity.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

As on the date of this Draft Red Herring Prospectus our Company does not have a corporate promoter or a listed subsidiary.

Price information of past issues handled by the BRLMs

1) DAM Capital Advisors Limited

1. Price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited:

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % 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	Avalon Technologies Limited(1)	8,650.00	436.00	April 18, 2023	436.00	-10.09%, [+2.95%]	Not applicable	Not applicable
2	Uniparts India Limited(2)	8,356.08	577.00	December 12, 2022	575.00	-5.11%, [-3.24%]	-7.38%, [-4.82%]	-0.60%, [+0.80%]
3	Inox Green Energy Services Limited(2)	7,400.00	65.00	November 23, 2022	60.50	-30.77%, [-1.11%]	-32.77%, [-1.33%]	-26.85%, [+0.36%]
4	Kaynes Technology India Limited(1)	8,578.20	587.00	November 22, 2022	778.00	+19.79%, [-0.25%]	+48.24%, [-1.64%]	+102.18%, [-0.22%]
5	Syrma SGS Technology Limited(2)	8,401.26	220.00	August 26, 2022	262.00	+31.11%, [-1.25%]	+29.20%, [+4.55%]	+20.66%, [+3.13%]
6	CMS Info Systems Limited(2)	11,000.00	216.00	December 31, 2021	218.50	+21.99%, [-1.81%]	+25.35%, [+0.74%]	+3.75%, [-8.71%]
7	Metro Brands Limited(2)	13,675.05	500.00	December 22, 2021	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93%, [-9.78%]
8	C.E. Info Systems Limited(2)	10,396.06	1,033.00	December 21, 2021	1,581.00	+70.21%, [+6.71%]	+48.48%, [+2.74%]	+21.40%, [-8.80%]
9	Star Health and Allied Insurance Company Limited(1)	60,186.84	900.00@	December 10, 2021	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	-22.21%, [-6.25%]
10	Go Fashion (India) Limited(1)	10,136.09	690.00	November 30, 2021	1,310.00	+59.75%, [+1.36%]	+32.91%, [-1.91%]	+48.90%, [-3.71%]

Source: www.nseindia.com and www.bseindia.com
@ A discount of INR 80 per equity share was provided to eligible employees bidding in the employee reservation portion.
(1) NSE was the designated stock exchange for the said issue.
(2) BSE was the designated stock exchange for the said issue.

Notes:

(a) Issue size derived from prospectus / basis of allotment advertisement, as applicable
(b) Price on NSE or BSE is considered for the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable
(c) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.

(d) *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
(e) *The Nifty 50 or S&P BSE SENSEX index is considered as the benchmark index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable*
(f) *Not applicable – Period not completed*

2. *Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited:*

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days 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	1	8,650.00	-	-	1	-	-	-	-	-	-	-	-	-
2022-23	4	32,735.54	-	1	1	-	1	1	-	1	1	1	-	1
2021-22	8	136,678.74	-	-	4	2	-	2	-	2	2	-	1	3

Source: www.nseindia.com and www.bseindia.com

Notes:

a. *The information is as on the date of this offer document*
b. *The information for each of the financial years is based on issues listed during such financial year.*
c. *Since 30 or 180 calendar days from listing date has not elapsed for few issues, hence data for same is not available.*

2) ICICI Securities Limited

<u>The price information of past issues handled by ICICI Securities is as follows:</u>

TABLE 1

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	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	Vedant Fashions Limited^^	31,491.95	866.00	16-FEB-22	935.00	+3.99%,[-0.20%]	+14.53%,[-8.54%]	+37.67%,[+2.17%]
2	Life Insurance Corporation of India^	2,05,572.31	949.00(1)	17-MAY-22	867.20	-27.24%,[-3.27%]	-28.12%,[+9.47%]	-33.82%,[+13.76%]
3	Prudent Corporate Advisory Services Limited^	4,282.84	630.00(2)	20-MAY-22	660.00	-20.71%,[-5.46%]	-2.10%,[+10.92%]	+26.23%,[+13.89%]
4	Paradeep Phosphates Limited^	15,017.31	42.00	27-MAY-22	43.55	-10.24%,[-3.93%]	+27.50%,[+7.65%]	+31.19%,[+11.91%]
5	Syrma SGS Technology Limited^	8,401.26	220.00	26-AUG-22	262.00	+31.11%[-1.25%]	+29.20%,[+4.55%]	+20.66%,[+3.13%]
6	Fusion Micro Finance Limited^^	11,039.93	368.00	15-NOV-22	359.50	+9.86%,[+1.40%]	+12.84%,[-2.97%]	+25.52%,[-0.48%]
7	Five Star Business Finance Limited^^	15,885.12	474.00	21-NOV-22	468.80	+29.72%,[+1.24%]	+19.20%,[-1.19%]	+11.72%,[+0.24%]

8	Archean Chemical Industries Limited^^	14,623.05	407.00	21-NOV-22	450.00	+25.42%,[+1.24%]	+56.87%,[-1.19%]	+32.68%, [+0.24%]
9	Landmark Cars Limited^	5,520.00	506.00(3)	23-DEC-22	471.30	+22.83%,[+1.30%]	+1.16%,[-2.72%]	+35.06%,[+5.82%]
10	KFIN Technologies Limited^^	15,000.00	366.00	29-DEC-22	367.00	-13.55%,[-3.22%]	-24.56%,[-6.81%]	-4.48%,[+2.75%]

^BSE as designated stock exchange

^^NSE as designated stock exchange

(1) Discount of Rs. 45 per equity share offered to eligible employees and Retail Individual Bidders. Discount of Rs. 60 per equity share offered to eligible policyholders. All calculations are based on Issue Price of Rs. 949.00 per equity share

(2) Discount of Rs. 59 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 630.00 per equity share

(3) Discount of Rs. 48 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 506.00 per equity share.

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5

* This data covers issues up to YTD

Notes:

1. Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.
2. Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.

3) Keynote Financial Services Limited

Price information of past issues handled by Keynote Financial Services Limited during the current Financial Year and the two financial years preceding the current Financial Year

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (in ₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmar–] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmar–] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmar–] - 180th calendar days from listing
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-

Summary statement of price information of past issues handled by Keynote Financial Services Limited during the current Financial Year and the two financial years preceding the current Financial Year

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Manager, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	DAM Capital Advisors Limited	www.damcapital.in
2.	ICICI Securities Limited	www.icicisecurities.com
3.	Keynote Financial Services Limited	www.keynoteindia.net

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

SEBI, by way of its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 ("**March 2021 Circular**")read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 ("**June 2021 Circular**") and amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Subsequently, SEBI vide its June 2021 Circular, modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular.

As per the March 2021 Circular read with the June 2021 Circular and amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank(s) to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

The processing fees for applications made by UPI 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/2018/22 dated February 15, 2018, 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except	From the date on which multiple amounts were blocked till the date of actual unblock

	the original Bid Amount, whichever is higher	
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e.., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, in addition to the compensation paid by the SCSBs. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank(s) for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission, or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and 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, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and 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 at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Managers, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The processing fees for applications made by UPI 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, and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Further, for helpline details of the BRLMs pursuant to 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/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, see "*General Information – Book Running Lead Managers*" on page 69.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Disposal of Investor Grievances by our Company

Our Company shall obtain authentication on the SEBI Complaints Redress System ("**SCORES**") in terms of circular no. CIR/OIAE/1/2014 dated December 18, 2014, circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and SEBI circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 issued by SEBI in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be seven 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 also appointed Sanjay Kumar Mutha, the Company Secretary of our Company, as the Compliance Officer who may be contacted in case of any pre-Offer or post-Offer related grievances. Their contact details are as follows:

Company Secretary and Compliance Officer

Sanjay Kumar Mutha
B 8, MIDC Central Road,
Marol, Next to MIDC Police Station,
Andheri (E)– Mumbai - 400093,
Maharashtra, India.
Telephone: +91 22 6141 7200
E-mail: investorrelations@mufti.in

The Selling Shareholders have authorised the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company has constituted a Stakeholders' Relationship Committee comprising Dr. Manoj Nakra, Paresh Bambolkar and Poonam Khushlani as members. For details, see "*Our Management - Stakeholders' Relationship Committee*" on page 185.

Our Company has not received any investor grievances in the last three years prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Exemptions from complying with any provision of securities laws, if any, granted by SEBI

Our Company has not applied for or received any exemption from complying with any provisions of securities laws by SEBI.

Other confirmations

Any person connected with the Offer 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 an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

SECTION IX: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities, issued from time to time, by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities while granting its approval for the Offer.

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. Further, in the case of Offer for Sale, the dividend for the entire year shall be payable to the Allottees. In addition, the Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see *"Main Provisions of Articles of Association"* on page 334.

The Offer

The Offer comprises of an Offer for Sale by the Selling Shareholders.

The listing fees shall be borne by our Company. Further, the expenses related to the portion of 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. In the event that the Offer is withdrawn, or not completed for any reason, whatsoever, all Offer related expenses will be shared between the Selling Shareholders in the Offer. However, all Offer-related expenses shall initially be borne by our Company. Upon completion of the Offer, each Selling Shareholder shall reimburse our Company their proportionate share of the Offer-related expenses.

Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the MoA and the AoA and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of transfer in accordance with applicable law. For more information, see "*Main Provisions of the Articles of Association"* on page 334.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders, in accordance with the provisions of the Companies Act, the SEBI Listing Regulations, the MoA and AoA, and other guidelines or directives which may be issued by the Government of India in this respect. Any Dividends declared, after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For more information, see "*Dividend Policy*" and *"Main Provisions of the Articles of Association"* on pages 195 and 334, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 2 each and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. At any given point of time there will be only one denomination for the Equity Shares.

The Offer Price, Price Band, the minimum Bid Lot size will be decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, and advertised in [●] edition of [●] a widely circulated English national daily newspaper, [●] edition of [●] a widely circulated Hindi national daily newspaper and Mumbai editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our

Registered and Corporate Office is located) 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 the same 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 at the respective websites of the Stock Exchanges. The Cap Price shall be at least 105% of the Floor Price. The Offer Price shall be determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, 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.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

1. Right to receive dividends, if declared;

2. Right to attend general meetings and exercise voting powers, unless prohibited by law;

3. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;

4. Right to receive offers for rights shares and be allotted bonus shares, if announced;

5. Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;

6. Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and

7. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of our Articles of Association of our Company relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see *"Main Provisions of the Articles of Association"* on page 334.

Allotment of Equity Shares only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

In this context, our Company has entered into the following agreements with the respective Depositories and the Registrar to the Company:

- Tripartite Agreement dated March 4, 2014 among NSDL, our Company and the Registrar to the Company.

- Tripartite Agreement dated February 10, 2023, among CDSL, our Company and Registrar to the Company.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see *"Offer Procedure"* on page 312.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, India.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, 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, transfer or alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Share Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, shall upon on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or

- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, 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 dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are requested to inform their respective Depository Participants.

Bid/Offer Period

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	[●]^

* *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

** *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, 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 shall be at 5:00 pm on the Bid/ Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Refunds for Anchor Investors/ Unblocking of Funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat account of Allottees	On or about [●]
Commencement of Trading of the Equity Shares on the Stock Exchange	On or about [●]

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of*

actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked in addition to the compensation paid by the respective SCSBs. Further, Bidders shall be entitled to compensation in the manner specified in the 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

Whilst our Company and the Selling Shareholders 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 Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, shall extend reasonable support, documentation and co-operation required or requested by our Company and/or the BRLMs, in relation to its respective portion of the Offered Shares, for the completion of the listing of the Equity Shares at the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

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 Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

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 such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis, as per the format prescribed in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

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.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) shall send the bid information to the Registrar to the Offer for further processing.

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 IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, 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 on the Stock Exchange platform only during Working Days, during the Bid/ Offer Period. Further, as per letter no. list/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

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 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders 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, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

As this is an offer for sale by the Selling Shareholders, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not make the minimum Allotment as specified under the terms of Rule 19(2)(b) of the SCRR, to the extent applicable; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company and the Selling Shareholders, to the extent applicable, shall pay interest at the rate of 15% per annum including the circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI. No liability to make any payment of interest shall accrue to the Selling Shareholders unless any delay in making any of the payments hereunder or any delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is solely attributable to the relevant Selling Shareholder. Under subscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Each of the Selling Shareholders shall reimburse, in proportion to the portion of its respective Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law. Provided that no Selling Shareholder shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder and any expenses and interest shall be paid to the extent of its respective portion of the Offered Shares.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of pre-Offer equity shareholding, minimum Promoter's contribution and Anchor Investor lock-in in the Offer, as detailed in *"Capital Structure"* on page 76 and as provided in our Articles as detailed in "*Main Provisions of the Articles of Association*" on page 334, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same 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 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. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), in case of RIIs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

Offer for Sale of up to 19,634,960 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share aggregating up to ₹ [●] million by the Selling Shareholders.

The Offer shall constitute 30.54% of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 2 each.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs(1)	Non-Institutional Bidders(4)	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation *	Not more than 9,817,480 Equity Shares	Not less than 2,945,244 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than 6,872,236 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation. One third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000/- and up to ₹ 1,000,000/- and two-third of the Non - Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000/- provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.(4)	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Mode of Bidding##	Only through the ASBA process (except for Anchor Investors).	ASBA only (including the UPI Mechanism for Bids up to ₹ 500,000)	ASBA only (including the UPI Mechanism)
Basis of Allotment/ allocation if respective category is oversubscribed*#	Proportionate as follows (excluding the Anchor Investor Portion): (a) 196,350 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) 3,730,642 Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Category, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 312

Particulars	QIBs[1]	Non-Institutional Bidders[4]	Retail Individual Bidders
	Up to 60% of the QIB Portion (of up to 5,890,488 Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the Anchor Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and thereafter in multiples of one Equity Share	[●] Equity Shares and thereafter in multiples of one Equity Share	[●] Equity Shares and thereafter in multiples of one Equity Share
Trading Lot	One Equity Share		
Who can apply [2]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India,	Resident Indian individuals, Eligible NRIs on a non-repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies, and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs(1)	Non-Institutional Bidders(4)	Retail Individual Bidders
	insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, multilateral and bilateral development financial institutions, registered foreign venture capital investor.		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(3) **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors). In case of RIBs, ASBA process will include the UPI mechanism.		

* *Assuming full subscription in the Offer*

\# *Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, 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 price 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 Net QIB Portion. For details, see "Offer Structure" on page 308.*

\#\# *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail, QIB (except Anchor Investors), NII and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

(1) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations*

(2) *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. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.*

(3) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

(4) *One third of the portion available to non-institutional bidders is reserved for applicants with application size of more than ₹0.20 million and up to ₹1.00 million and two third of the portion available to non-institutional bidders is reserved for applicants with application size of more than ₹1.00 million.*

Bids by FPIs with certain structures as described under "*Offer Procedure – Bids by FPIs*" on page 318 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed. Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, 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 the Promoter Selling Shareholders in consultation with the BRLMs 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, see "*Terms of the Offer*" on page 302.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (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, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids 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 (xiii) interest in case of delay in Allotment or refund.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of application monies from 15 days to four days.*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, SEBI has issued a press release dated June 28, 2023 on reduction of time period from the date of issue closure to the date of listing of shares through public issues from the existing six days to three days. This shall be applicable voluntarily for all public issues opening on or after September 1, 2023 and shall be mandatory for all public issue opening on or after December 1, 2023. Please note that we may need to make appropriate changes in the Red Herring Prospectus and Prospectus depending on the timing of the opening of the Offer.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed by the Registrar along with the SCSBs only after application monies are blocked in the bank accounts of investors (all categories). The Registrar and SCSBs will comply with any additional circulars or other Applicable Law, and the instructions of the BRLMs, as may be issued in connection with this circular. Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus and the Red Herring Prospects. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholders and the Members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third 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 shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% 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 and the Promoter Selling Shareholder, in consultation with the BRLMs 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 dematerialised segment of the Stock Exchanges.

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, PAN and UPI ID, as applicable, 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 the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia* equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RII also had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The Phase III shall commence voluntarily for all public issues opening on or after September 1, 2023 and shall be mandatory for all public issue opening on or after December 1, 2023. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 (the "**UPI Streamlining 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 Streaming 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/Partial Allottees to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. 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, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of [●], an English national daily newspaper, (ii) all editions of [●], a Hindi national daily newspaper, and (iii) the Mumbai edition of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation on or prior to the Bid/ Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our 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 UPI Bidders using the UPI.

NPCI through its circular (NPCI/UPI/OC No. 127/ 2021-22) dated December 9, 2021, inter alia, has enhanced the per transaction limit from ₹ 200,000 to ₹ 500,000 for applications using UPI in initial public offerings.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB. For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor investors application form will be available at the office of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders shall Bid in the Offer through the UPI Mechanism. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. For all initial public offerings opening on or after September 1, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIIs using the UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs with the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) RIIs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which is effective from September 1, 2022.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]

Category	Colour of Bid cum Application Form*
Anchor Investors^^	[●]

**Excluding the electronic Bid cum Application Form*
*^Electronic Bid cum Application Form will be made available for download on the website of the BSE (*www.bseindia.com*) and NSE (www.nseindia.com)*
^^Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For RIIs using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to RIIs for blocking of funds.

In case of ASBA forms, the relevant Designated Intermediaries shall capture and upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders, for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the issuer bank) 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 Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism 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. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI and circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

For ASBA Forms (other than RIIs Bidding using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice;

b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/location code on T+1day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;

c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5 pm on the initial public offer closure day;

d) The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as 'RC 100 – Block request accepted by Investor/ client', based on responses/status received from the Sponsor Bank(s).

Participation by the BRLMs, the Syndicate Members and their associates and affiliates

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion 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. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;

(ii) insurance companies promoted by entities which are associate of the BRLMs;

(iii) AIFs sponsored by the entities which are associate of the BRLMs;

(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs;

(v) Pension funds sponsored by entities which are associate of the BRLMs; or

(vi) Person related to Promoters and the members of the Promoter Group.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

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 and Promoter Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

In case of multiple Bids, 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% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% 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. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorise their SCSB 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. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Non-debt Instrument Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up Equity Share 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% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 332.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, 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 as follows: "Name of sole or first bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments

Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, the Promoter Selling Shareholders, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

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 terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) 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.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the Applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*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.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders in consultation with the BRLMs 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 the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, 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 or health insurer;
(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 health insurer 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 health insurer 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 ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, 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 and the Promoter Selling Shareholders, in consultation with the BRLMs reserve 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 by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250.00 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250.00 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Promoter Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and Promoter Selling Shareholders in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

(a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100.00 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100.00 million.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

(e) Our Company and Selling Shareholders may finalise allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company and the Promoter Selling Shareholders in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

    (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100.00 million;

(ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and

(iii) in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

(i) 50% of the Equity Shares Allotted to the Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Offer under the Anchor Investor Portion. For details, see *"- Participation by the BRLMs, the Syndicate Members and their associates and affiliates"* on page 317.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs 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 any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any

obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;

7. UPI Bidders Bidding using the UPI Mechanism in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

9. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 pm on the Bid/Offer Closing Date

10. Ensure that the signature of the first bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

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 circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, 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 beneficial 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. 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;

16. 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;

17. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

20. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

21. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;

22. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form 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 http://www.sebi.gov.in);

23. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank(s), 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 at the time of submission of the Bid. In case of UPI Bidder Bidding through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for

blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

24. Ensure that the Demographic Details are updated, true and correct in all respects;

25. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

26. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;

27. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank(s) issues the Mandate Request, the UPI Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

28. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RII Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank(s) to issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

29. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first bidder (in case of joint account) in the Bid cum Application Form;

30. UPI Bidders using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

31. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are re-categorised as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and

32. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

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 Lot;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors;

4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

5. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA Account;

11. 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 Bidder;

12. 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;

13. 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);

14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

15. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;

16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;

17. If you are UPI Bidder and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

19. Anchor Investors should not bid through the ASBA process;

20. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

21. Do not submit the GIR number instead of the PAN;

22. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

24. If you are a QIB, do not submit your Bid after 3:00 p.m. on the QIB Bid/Offer Closing Date;

25. 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. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;

27. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

28. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

30. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

31. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism.

32. Do not Bid if you are an OCB.

33. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹ 0.50 million.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 69.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" on page 68.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes on February 13, 2020, and press release dated June 25, 2021.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in the SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Applicants other than to the RIIs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard mentioned in SEBI ICDR Regulations.

The allotment of Equity Shares to each RII shall not be less than the minimum bid lot, subject to the availability of shares in RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Account

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor 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 under the SEBI ICDR Regulations, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and the Mumbai edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located).

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This 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.

The information set out above is given for the benefit of the Bidders/Applicants. Our Company, the Selling Shareholders, and the BRLMs 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/Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) all editions of [●], a widely circulated English national daily newspaper; ii) all editions of [●], a Hindi national daily newspaper; and (iii) the Mumbai edition of [●], a widely circulated Marathi national daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located)..

Signing of the Underwriting Agreement and Filing with the RoC

(b) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price but prior to the filing of the Prospectus.

(c) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the 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, 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, for fraud involving an amount of at least ₹ 1 million or 1% 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 ₹ 1 million 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 ₹ 5.00 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- 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 Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date or within such other time period prescribed by SEBI will be taken;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if our Company and/or the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company or the Selling Shareholders subsequently decide to proceed with the Offer;
- except for Equity Shared allotted pursuant to the Offer, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts/ refunded on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Selling Shareholders

Each of the Selling Shareholder, severally and not jointly, specifically undertakes and/or confirms the following in respect to itself as a Selling Shareholder and its respective portion of the Offered Shares:

- the Offered Shares have been held by it for a minimum period of one year prior to the date of filing this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations;
- it is the legal and beneficial holder of and has full title to its respective portion of the Offered Shares, which

have been acquired and is held by it in full compliance with applicable law;

- its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer;
- it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges and
- its respective portion of the Offered Shares are fully paid-up and are in dematerialized form.

Utilisation of Offer Proceeds by Selling Shareholders

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each of the Selling Shareholders will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses and the relevant taxes thereon. For details of the Offered Shares by each Selling Shareholders, see *"Other Regulatory and Statutory Disclosures"* on page 289.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and 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 the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The 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 DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued 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, will require prior approval of the Government of India, 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 of India. 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 Offer Period.

Foreign Exchange Laws

The foreign investment in our Company is governed by *inter alia* the FEMA, the FEMA Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes, and the SEBI FPI Regulations. In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% 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% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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 Bidders. Our Company, the Selling Shareholders and the BRLMs 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 Bid for do not exceed the applicable limits under laws or regulations.

SECTION X: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

CREDO BRANDS MARKETING LIMITED[1]

*This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of the Credo Brands Marketing Limited (the "**Company**") held on 04 July 2023.*

*The Articles of Association of the Company comprise two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of filing of the red herring prospectus with the registrar of companies in connection with the initial public offering of equity shares of face value of Rs. 2 each of the Company ("**Equity Shares**") ("**Offer**"). In the event, there is any inconsistency between any provisions in Part A and Part B of these Articles, the provisions in Part B of these Articles, shall subject to applicable law, prevail and be applicable. However, on and from the date of filing of the red herring prospectus with the registrar of companies, pursuant to the Offer, Part B shall automatically stand deleted, not have any force and be deemed to be removed from the Articles of Association and the provisions of the Part A shall remain into effect and be in force, without any further consent(s) and/or corporate or other action by the Company or its shareholders.*

These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

PART A

GENERAL

1. (i) In these Articles:-

(i) "**Authorised Share Capital**" means such capital as is authorised by the memorandum of the Company to be the maximum amount of share capital of the company;

(ii) "**Articles**" means these articles of association of the Company or as altered from time to time.

(iii) "**Board**" means the board of directors of the Company at the relevant time.

(iv) "**Company**" shall mean Credo Brands Marketing Limited;

(v) "**Companies Act**" or "**Act**" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;

(vi) "**Equity Shares** or **Equity Share**" means an equity share of the Company of face value of Rs. 2 (Rupees 2) each;

(vii) "**Equity Share Capital**" means the par value of all the Equity Shares issued by the Company.

[1] ***Conversion from private limited company to public limited company was pursuant to shareholders resolution passed in the extra-ordinary general meeting dated 18 April 2023***

(viii) "**INR**" or "**Rupees**" or "**Rs.**" shall mean Indian rupees, being the lawful currency of India;

(ix) "**Person**" means any natural person, trust, firm, company, Governmental Authority, joint venture, association, partnership, society or other entity (whether or not having separate legal personality);

(x) **"Rules**" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

(xi) "**Securities**" shall mean shares in the Share Capital, whether equity or preference, and shall include other securities and instruments convertible into Equity Shares;

(xii) **"Seal**" means the Common Seal of the Company.

(ii) In these Articles, unless there is something in the subject or context inconsistent therewith:

(i) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

(ii) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

2. The Articles contained in Table F of the first schedule to the Act or any statutory modification thereof shall apply to the Company, in so far, they are not repugnant to or inconsistent with any of the regulation contained hereinafter.

PUBLIC COMPANY

3. The Company is a public company as defined under Section 2 (71) of the Act, limited by shares.

SHARE CAPITAL

4. The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the shares in the capital for the time being into equity Share Capital and preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

5. Subject to the provisions of Section 55 of the Act, any preference shares may 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 a Board resolution or a special resolution, determine.

6. 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 Board 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 or subject to the compliance with Section 53 of the Act, at a discount (subject to compliance with Section 52 and 53 and the other provisions of the Act) and at such time as they may from time to time think fit, and with the approval of the Company in a General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered by the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any Person or Persons without the approval of the Company in the General Meeting.

7. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

(i) Equity Share Capital:

a. with voting rights; and/or

b. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(ii) Preference Share Capital

8. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or sub-division, consolidation or renewal as the case may be within such other period as the conditions of issue shall provide –

(i) one or more certificates in marketable lots, for all his shares of each class or denomination registered in his name without payment of any charges; or

(ii) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.

9. Every certificate shall be under the Seal, if any, and shall specify the number and distinctive numbers of shares to which it relates and the amount paid-up thereon, shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary.

Provided that in case the company has a common seal, it shall be affixed in the presence of the persons required to sign the certificate.

10. 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. Any Member of the Company shall have the right to sub-divide, split or consolidate the share certificate(s) held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.

11. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

12. 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 or in case of sub-division or consolidation of shares, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as may be decided by the Board, provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Board shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Companies Act, 2013 or rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf or any Statutory modification or re-enactment thereof, for the time being in force.

13. The Company will not charge any fees exceeding those which may be agreed upon with the stock exchange:

(i) For Issue of new certificate in replacement of those that are torn, defaced, lost or destroyed;

(ii) For sub-division and consolidation of share and debenture certificates and for sub-division of Letters of Allotment and split, consolidation, renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading

14. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

15. (a) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 of the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.

(b) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or partly in the one way and partly in the other.

16. (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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

(b) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

17. 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.

18. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to Equity Shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

FURTHER ISSUE OF SHARES

19. Where at any time, it is proposed to increase the subscribed capital of the Company by the issue of further shares then such shares shall be offered in accordance with Section 62 of the Act and the Rules made thereunder in the following manner:

a. to persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (1) to (3) below:

(1) the aforesaid offer shall be made by a notice specifying the number of Equity Shares offered and limiting a time not being less than fifteen (15) days or such lesser number of days as may be prescribed and not exceeding thirty (30) days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined;

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three (3) days before the opening of the issue;

(2) the aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the Equity Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (1) above shall contain a statement of this right;

(3) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Equity Shares offered, the Board of Directors may dispose them of in such manner which is not disadvantageous to the Shareholders and the Company.

b. to employees under any scheme of employees' stock option subject to a special resolution passed by the Company and subject to the Act and the Rules made thereunder and such other conditions as may be prescribed under applicable law; or

c. to any person(s), if it is authorized by a special resolution, whether or not those persons include the persons referred to in sub-clause (a) or clause (b) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to compliance with the applicable conditions of Chapter III of the Act and any other conditions as may be prescribed under the Act and the Rules made thereunder.

d. Nothing in sub-clause (3) of sub-article (a) shall be deemed:

i. To extend the time within which the offer should be accepted; or

ii. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

20. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company;

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

21. Notwithstanding anything contained in sub-clause (ii) above, where any debentures have been issued or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty (60) days from the date of communication of such order, appeal to the National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

22. In determining the terms and conditions of conversion under sub-clause (iii) above, the government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

23. Where the government has, by an order made under sub-clause (iii), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the National Company Law Tribunal under sub-clause (iii) above or where such appeal has been dismissed, the Memorandum of the Company shall, where such order has the effect of increasing the authorized share capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

24. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

DEMATERIALIZATION OF SHARES

25. Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialize its shares and to offer shares in a dematerialized form pursuant to the Depositories Act, 1996.

26. Notwithstanding anything contained in these articles, and subject to the provisions of law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the shares, which are in dematerialized form.

27. Every person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a depository. Such a person who is the beneficial owner of the shares can at any time opt out of a depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. If a person opts to hold his shares with a depository, the Company shall intimate such depository the details of allotment of the share, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the share.

28. All shares held by a depository shall be dematerialized and shall be in a fungible form.

29. (a) Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owners.

(b) Save as otherwise provided in 4(v)(a) above, the depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.

(c) Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such shares and shall also be deemed to be the member of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a depository.

30. Notwithstanding anything in the Act or these articles to the contrary, where shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or disks or any other mode as prescribed by law from time to time.

31. Notwithstanding anything in the Act or these articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

32. Nothing contained in the Act or these articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

33. The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996, containing details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law(s) including any form of electronic media.

34. The Company shall have the power to keep in any state or country outside India a branch register resident in that state or country.

TRANSFER OF SHARES

35. The Company shall Transfer Securities only in a dematerialized form.

36. The Company shall use a common form of transfer. The instrument of transfer shall be in writing and all provisions of the Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and the registration thereof.

37. The instrument of transfer of any Securities in the Company shall be executed by or on behalf of both the transferor and transferee shall be in writing.

38. The transferor shall be deemed to remain a holder of the Security until the name of the transferee is entered in the Register of Members in respect thereof.

39. In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

40. The Company, the transferor and the transferee of the Securities shall comply with the requirements under the applicable laws.

41. The Board may, subject to the right of appeal conferred by the Act decline to register –

(i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(ii) any transfer of shares on which the Company has a lien.

The Company shall within 30 days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares. Further, any contract or arrangement between 2 (two) or more persons in respect of the transfer shall be enforceable as a contract.

42. In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless –

(i) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

(ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and if no such certificate is in existence, then the letter of allotment of the shares and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(iii) the instrument of transfer is in respect of only one class of shares; and

(iv) Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee provided that where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee on the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

43. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty- five days in the aggregate in any year.

44. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

LIEN

45. (i) The Company shall have a first and paramount lien –

a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

b. on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

(iii) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

(iv) Fully paid shares shall be free from all lien and in the case of partly paid shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

46. 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 to the person entitled thereto by reason of his death or insolvency or otherwise.

47. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(iv) 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 with reference to the sale.

48. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

49. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

50. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

CALL ON SHARES

51. (i) The Board may, from time to time, make calls upon the members in respect of any money unpaid on the 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 the Board shall not give right or option to any other person except with the sanction of the Company in General Meeting.

Provided further that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(iv) A call may be revoked or postponed at the discretion of the Board.

52. 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.

53. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

54. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof ("**the due date**"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

55. **(i)** Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(iii) If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

(iv) All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

(v) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

56. The Board –

(i) may, if it thinks fit, subject to the provisions of Section 50 of the Act, 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 beyond the sums actually called for; and

(ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

57. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

58. Save as aforesaid, Articles 13 to 18 of Table 'F' shall apply.

TRANSMISSION OF SHARES

59. (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 recognized by the Company as having any title to his interest in the shares.

(ii) Nothing in clause (1) 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.

60. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

a. to be registered himself as holder of the share; or

b. to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

(iii) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

61. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these Articles 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.

62. 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.

63. The provisions of these Articles relating to transmission by operation of law shall mutatis *mutandis* apply to any other securities including debentures of the Company.

FORFEITURE OF SHARES

64. If a member fails to pay any call, or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring the payment of such part of the call or instalment or other money as is unpaid, together with any interest which may have accrued thereon. Upon failure to comply with the terms of the notice, the Company reserves the right to forfeit such shares.

65. The notice aforesaid shall:

(i) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

66. 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.

67. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

68. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

69. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

70. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

71. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

72. Save as aforesaid, Articles 28 to 34 of Table 'F' shall apply.

ALTERATION OF CAPITAL

73. 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.

74. Subject to the provisions of the Act, the Company may, by ordinary resolution—

(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(ii) convert all or any of its fully paid-up shares into stock, and re-convert that stock into fully paid-up shares of any denomination;

(iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub- division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or;

(iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

75. Where shares are converted into stock—

(i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles 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.

(ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(iii) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those Articles shall include "stock" and "stock-holder" respectively.

76. The Company may, by resolution as prescribed in the Act, reduce in any manner and with, and subject to, any incident authorized and consent required by law —

(i) its share capital;

(ii) any capital redemption reserve account;

(iii) any share premium account; or

(iv) any other reserve in the nature of share capital.

77. The Company may as per the applicable provisions of the Act, issue shares under preferential basis and private placement.

CAPITALIZATION OF PROFITS

78. (i) The Company in general meeting may, upon the recommendation of the Board, resolve —

a. 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

b. that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (c), either in or towards —

a. paying up any amounts for the time being unpaid on any shares held by such members respectively;

b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

c. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii)

d. A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

e. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

79. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

b. generally, do all acts and things required to give effect thereto.

(ii) The Board shall have power—

a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

80. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

81. All general meetings other than annual general meeting shall be called extraordinary general meeting.

82. The Board may, whenever it thinks fit, call an extraordinary general meeting.

83. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

84. 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.

85. No business shall be discussed or transacted at any general meeting except election of the Chairperson whilst the chair is vacant.

86. The quorum for a general meeting shall be as provided in the Act. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

87. 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.

88. 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, by poll or electronically, choose one of their members to be Chairperson of the meeting.

89. 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.

90. 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.

91. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.

92. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

93. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

94. The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

95. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.

ADJOURNMENT OF MEETING

96. 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.

97. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place

98. 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.

99. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

100. Subject to any rights or restrictions for the time being attached to any class or classes of shares:

a) on a show of hands, every member present in person shall have one vote; and

b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

101. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

102. 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.

103. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

104. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

105. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

106. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

107. 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 or in regard to which the Company has exercised any right of lien.

108. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

109. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

PROXY

110. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

111. The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

112. An instrument appointing a proxy shall be in the form as prescribed in the Rules.

113. 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

114. The subscribers to the Memorandum and Articles of Association of the Company shall be the first Directors of the Company.

115. Unless otherwise determined by the Company in general meeting, the number of directors shall not be more than 12 (Twelve).

116. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

117. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the applicable SEBI Regulations. The Company shall have such number of Woman Director(s) on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

118. The Board may appoint an alternate director to act for a director (hereinafter in this Article 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 under the provisions of the Act.

119. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

120. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

121. Subject to applicable provisions of the Act, the remuneration of the Directors of the Company, including fees payable to the Directors in attending meetings of the Board or Committees of the Board, shall be determined by the Board of the Company, from time to time.

122. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

123. 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 an ordinary/special resolution, as the case may be, passed by the Company in general meeting.

124. 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—

(i) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

(ii) in connection with the business of the Company.

If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.

125. Sitting fees, subject to ceiling as provided in the Act, may be paid to the Directors other than Managing Director, joint Managing Director and whole-time Director.

126. 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.

127. Subject to provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of directors and additional directors together shall not at any time exceed maximum strength fixed for the Board by the Articles.

128. Save as aforesaid Articles 62 to 75 of Table 'F' shall apply.

129. The Additional Directors so appointed shall hold office until the conclusion of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

130. (i) 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.

(ii) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

NOMINEE DIRECTOR

131. If at any time the Company obtains any loan or any assistance in connection there with by way of guarantee or otherwise from any person, firm, body corporate, local authority or public body (hereinafter called "the institution") or if at any time the Company issues any shares or debentures and enters into any contract or arrangement with the institution, whereby the institution subscribes for or underwrites the issue of the Company's shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract or agreement that the institution shall have the right to appoint one or more directors to the Board, subject to the terms and conditions of such loan, assistance, contract or arrangement, the institution shall be entitled to appoint one or more director or directors, as the case may be, to the Board and to remove from office any director so appointed and to appoint another in his place or in the place of the director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the registered office. The Director or Directors so appointed may or may not be liable to retire by rotation and shall continue in the office for so long as the relative loan, assistance, contract or arrangement, as the case may be, subsists.

DEBENTURE DIRECTOR

132. If it is provided by the trust deed, securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation and shall continue in office for so long as the debentures are not redeemed.

SPECIAL DIRECTOR

133. The Company shall, subject to the provision of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee or nominees on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. Such, nominees and their successors in office appointed in pursuance of this Article shall be called "Special Directors" of the Company.

134. The Special Director/s appointed hereof shall be entitled to hold office until requested to retire by the person, firm or corporation which may have appointed him / them and Special Director/s may or may not be liable to retire by rotation. As and when the Special Director vacates office whether upon request as aforesaid or by death, resignation of otherwise, the person, firm or corporation who or which appointed such Director may appoint any other person as such Director in his place. A special Director may at any time, by notice in writing to the Company resign his office. Subject to the aforesaid a special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

POWERS OF BOARD

135. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any Articles, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

PROCEEDINGS OF THE BOARD

136. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) The Chairperson or any one director with the previous consent of the Chairperson, may or the secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

(iii) The quorum for a Board meeting shall be as provided in the Act.

(iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

137. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

138. 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.

139. (i) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence the Board may elect a Chairperson of its meeting and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

140. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

141. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any Articles that may be imposed on it by the Board.

142. (i) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

143. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the Chairperson shall have a second or casting vote.

144. 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.

145. 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.

BORROWING POWER

146. Subject to the provisions of the Section 73, 179, 180 and 185 of the Act, and without prejudice to the powers conferred by other Article or Articles, the Board or Directors may, from time to time and at their discretion to raise or to borrow or secure the payment of any sum or/and sums of money, for purpose of the Company, either from any Director or member or elsewhere, on security or otherwise and may secure the repayment or payments of any sum or sums, in such manner and upon such terms and condition, in all respects as they think fit, and particular, by the creation of any mortgage, hypothecation or charge on the undertaking or the whole or part of the property, present or future, or the uncalled capital, of the Company or by the issue of debentures or debentures stock of the Company, both present and future, including its uncalled capital, for the time being, and the Directors or any of them may guarantee the whole, or any part of the loans or debts, raised or incurred, by or on behalf of the Company, or any interest payable thereon, and shall be entitled to receive such payments as consideration for the giving of such guarantee, as may be determined, by the Directors, with power to indemnify the guarantors, from or against liability under their guarantee by means of a mortgage or charge on the undertaking of the Company, or any of its property, or assets or otherwise.

147. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

148. The Board may by resolution at its meeting, delegate the above power to borrow money otherwise than on Debentures to a Committee of Directors or Managing Director or to any other person permitted by applicable Law, if any, and shall specify the total amount up to which monies may be borrowed which shall in no circumstances exceed the limits as permitted to be borrowed by the Board.

149. To the extent permitted under the Applicable Law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interest of the Company.

CHIEF EXECUTIVE OFFICER / MANAGER / SECRETARY / CHIEF FINANCIAL OFFICER

150. Subject to the provisions of the Act—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board. The Board may appoint one or more chief executive officers for its multiple businesses.

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(iii) A provision of the Act or these Articles 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.

151. Manager or Secretary may be appointed in accordance with Articles 77 and 78 of Table 'F'.

MANAGING DIRECTOR

152. Subject to the provisions of Sections 196, 197, and 203 and Schedule V of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places. The Managing Director shall exercise such powers as may be delegated to him by the Board subject to its overall control and supervision. The Managing Director shall report all material actions undertaken, or proposed to be undertaken, by him in the exercise of powers delegated to him to the Board of Directors at their meetings.

153. Subject to the provisions of Act and Rules and Schedule of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.

154. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in the Act thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

REGISTERS

155. (i) The Company shall keep and maintain at its registered office, the register including register of charges, register of members, register of Directors, annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name , register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and index of members/debenture holders/other security holders and other registers (the "Register") as required to be kept and maintained under the Act, or Rules made thereunder, the Depositories Act and other applicable Laws, with the details of shares/debentures/other securities held in physical and dematerialized form in any medium as may be permitted by law including any form of electronic medium.

(ii) In accordance to the provisions of Section 94 of the Act, the registers required to be kept and maintained by a company under section 88 and copies of the annual return filed under section 92 may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a General Meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance. Provided further that the period for which the registers, returns and records are required to be kept shall be such as may be prescribed under the Act.

(iii) The Register and index of beneficial owner maintained by a Depository under Section 11 of the Depositories Act shall also be deemed to be the Register and index of members/debenture holders/other security holders for the purpose of the Act and any amendment or re-enactment thereof.

(iv) The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such Articles as it may think fit respecting the keeping of any such register.

(v) The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

THE COMMON SEAL

156. The Board of Directors may select a seal for the Company and shall have power from time to destroy the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the Seal. The Seal of the Company shall not be affixed to any instrument except by authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of any Director or chief executive officer or manager or company secretary or chief financial officer or such other person as the Board or any Committee of the Board may appoint for such purpose; and the Director or chief executive officer or manager or company secretary or chief financial officer or the company secretary or other person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence. However, the share certificates shall be sealed and signed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014.

DIVIDENDS AND RESERVE

157. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

158. Subject to the provisions of the Act, 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.

159. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for 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, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

160. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the share, including to confer a right to dividend or to participate in profits.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

161. (i) 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.

(ii) The Board may retain dividends payable upon shares in respect of which any person is, entitled to become a member, until such person shall become a member in respect of such shares.

162. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(iii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

163. 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.

164. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

165. No dividend shall bear interest against the Company

(i) The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

(ii) The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend A/c_______".

(iii) The Company shall, within a period of 90 (ninety days) of making any transfer of an amount under sub- clause (b) above to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

(iv) If any default is made in transferring the total amount referred to in sub- clause (b) above or any part thereof to the Unpaid Dividend Account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

(v) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer. No unclaimed or unpaid dividend shall be forfeited by the Board. All unpaid and unclaimed dividends shall be dealt with in accordance with the provisions of Sections 124 and 125 of the Act and rules made thereunder.

(vi) All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules. along with a statement containing such details as may be prescribed. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

(vii) Further, there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

ACCOUNTS

166. (i) The Company shall prepare and keep at its books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of affairs of the Company, and that of its branch offices, and explain the transactions effected both at the registered office and its branch offices and such books shall be kept on accrual basis and according to double entry system of accounting. Books of accounts may also be maintained in electronic form.

(ii) The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

(iii) The Company shall preserve in good order the books of accounts relating to a period of not less than eight years preceding the current year together with vouchers relevant to entries in such books of accounts

(iv) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.

(v) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board. or by the company in general meeting.

FINANCIAL STATEMENT

167. The Directors shall lay before each Annual General Meeting, Financial Statement for the financial year of the Company audited by a qualified chartered accountant under the provisions of the Act.

AUDIT

168. The Directors may fill up any casual vacancy in the office of the auditors.

169. An auditor can render such other services to the Company as permissible under the Act subject to the approval of Board or Audit Committee.

170. The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

171. The remuneration of the auditors shall be fixed by the Company in General Meeting or by Board if authorised by shareholders of the Company.

WINDING UP

172. 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 in kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

173. 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 member or different classes of members.

174. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefits of the contributors as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any share or such other securities whereon there is any liability.

SECRECY

175. Every Director, Chairman, Managing Director, Manager, Auditor Member of the Committee, Officer, Servant Agent, Accountant or other persons employed in the business of the Company shall observe strict secrecy in respect of all transactions of the company.

INDEMNITY & INSURANCE

176. Subject to the provisions of Section 197 of the Act, every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company, to pay all costs, losses and expenses (including travelling expenses) which such officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, chief executive officer or manager or company secretary or chief financial officer or officer or in any way in the discharge of his duties in such capacity including expenses or against any bonafide 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 connection with any application under Section 463 of the Act in which relief is granted to him by the Court.

177. 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.

GENERAL POWER

178. 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 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.

Board of Directors of the Company shall be authorised to take any action in the interest of Company irrespective of the fact that any specific provision in these Articles is not contained in that regard, provided such action is otherwise permitted under the Act. Such action, if permitted under the Act, shall be deemed that they are taken in pursuance of Articles made under these articles.

Members of the Company by passing necessary resolution in their meeting may waive any condition imposed under these Articles for transaction of any business by the Company or by the Board of

Directors. After such waiver, the transaction shall be deemed to be carried as it was permitted and carried by exercising power and authority under these Articles.

Subject to the provisions of the Act, no Director or other Officer of the Company shall be liable for the acts, receipt, 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 expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of 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 judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

AUTHENTICATION OF DOCUMENTS, PROCEEDINGS AND CONTRACTS

179. Save as otherwise provided in the Act or in these Articles, a document or proceeding or books of the Company or contracts made by or on behalf of the Company, requiring authentication by the Company, may be signed by a Director or key managerial personnel or any other person duly authorised for this purpose by the Board or a Committee of the Board and need not be under its Seal.

THE COMPANIES ACT, 2013

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

CREDO BRANDS MARKETING LIMITED[2]

*This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of the Credo Brands Marketing Limited (the "**Company**") held on 04 July 2023.*

PART B

GENERAL

180. (i) In these Articles:-

(i) "**Authorised Share Capital**" means such capital as is authorised by the memorandum of the Company to be the maximum amount of share capital of the company;

(ii) "**Articles**" means these articles of association of the Company or as altered from time to time.

(iii) "**Board**" means the board of directors of the Company at the relevant time.

(iv) "**Company**" shall mean Credo Brands Marketing Limited;

(v) "**Companies Act**" or "**Act**" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;

(vi) "**Equity Shares**" **or** "**Equity Share**" means an equity share of the Company of face value of Rs. 2/- (Rupees Two) each;

(vii) "**Equity Share Capital**" means the par value of all the Equity Shares issued by the Company.

(viii) "**INR**" or "**Rupees**" or "**Rs.**" shall mean Indian rupees, being the lawful currency of India;

(ix) "**Person**" means any natural person, trust, firm, company, Governmental Authority, joint venture, association, partnership, society or other entity (whether or not having separate legal personality);

(x) **"Rules**" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

(xi) "**Securities**" shall mean shares in the Share Capital, whether equity or preference, and shall include other securities and instruments convertible into Equity Shares;

(xii) **"Seal**" means the Common Seal of the Company.

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[2] ***Conversion from private limited company to public limited company was pursuant to shareholders resolution passed in the extra- ordinary general meeting dated 18 April, 2023***

(ii) In these Articles, unless there is something in the subject or context inconsistent therewith:

(i) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

(ii) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

181. The Articles contained in Table F of the first schedule to the Act or any statutory modification thereof shall apply to the Company, in so far, they are not repugnant to or inconsistent with any of the regulation contained hereinafter.

PUBLIC COMPANY

182. The Company is a public company as defined under Section 2 (71) of the Act, limited by shares.

SHARE CAPITAL

183. The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the shares in the capital for the time being into equity Share Capital and preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

184. Subject to the provisions of Section 55 of the Act, any preference shares may 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 a Board resolution or a special resolution, determine.

185. 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 Board 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 or subject to the compliance with Section 53 of the Act, at a discount (subject to compliance with Section 52 and 53 and the other provisions of the Act) and at such time as they may from time to time think fit, and with the approval of the Company in a General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered by the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any Person or Persons without the approval of the Company in the General Meeting.

186. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

(i) Equity Share Capital:

a. with voting rights; and/or

b. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(ii) Preference Share Capital

187. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or sub-division, consolidation or renewal as the case may be within such other period as the conditions of issue shall provide –

(i) one or more certificates in marketable lots, for all his shares of each class or denomination registered in his name without payment of any charges; or

(ii) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.

188. Every certificate shall be under the Seal, if any, and shall specify the number and distinctive numbers of shares to which it relates and the amount paid-up thereon, shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary.

Provided that in case the company has a common seal, it shall be affixed in the presence of the persons required to sign the certificate.

189. 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. Any Member of the Company shall have the right to sub-divide, split or consolidate the share certificate(s) held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.

190. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

191. 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 or in case of sub-division or consolidation of shares, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as may be decided by the Board, provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Board shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Companies Act, 2013 or rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf or any Statutory modification or re-enactment thereof, for the time being in force.

192. The Company will not charge any fees exceeding those which may be agreed upon with the stock exchange:

(i) For Issue of new certificate in replacement of those that are torn, defaced, lost or destroyed;

(ii) For sub-division and consolidation of share and debenture certificates and for sub-division of Letters of Allotment and split, consolidation, renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading

193. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

194. (a) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 of the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.

(b) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or partly in the one way and partly in the other.

195. (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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

(b) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

196. 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.

197. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to Equity Shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

FURTHER ISSUE OF SHARES

198. Where at any time, it is proposed to increase the subscribed capital of the Company by the issue of further shares then such shares shall be offered in accordance with Section 62 of the Act and the Rules made thereunder in the following manner:

a. to persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (1) to (3) below:

(1) the aforesaid offer shall be made by a notice specifying the number of Equity Shares offered and limiting a time not being less than fifteen (15) days or such lesser number of days as may be prescribed and not exceeding thirty (30) days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined;

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three (3) days before the opening of the issue;

(2) the aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the Equity Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (1) above shall contain a statement of this right;

(3) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Equity Shares offered, the Board of Directors may dispose them of in such manner which is not disadvantageous to the Shareholders and the Company.

b. to employees under any scheme of employees' stock option subject to a special resolution passed by the Company and subject to the Act and the Rules made thereunder and such other conditions as may be prescribed under applicable law; or

c. to any person(s), if it is authorized by a special resolution, whether or not those persons include the persons referred to in sub-clause (a) or clause (b) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to compliance with the applicable conditions of Chapter III of the Act and any other conditions as may be prescribed under the Act and the Rules made thereunder.

d. Nothing in sub-clause (3) of sub-article (a) shall be deemed:

iii. To extend the time within which the offer should be accepted; or

iv. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

199. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company;

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

200. Notwithstanding anything contained in sub-clause (ii) above, where any debentures have been issued or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty (60) days from the date of communication of such order, appeal to the National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

201. In determining the terms and conditions of conversion under sub-clause (iii) above, the government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

202. Where the government has, by an order made under sub-clause (iii), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the National Company Law Tribunal under sub-clause (iii) above or where such appeal has been dismissed, the Memorandum of the Company shall, where such order has the effect of increasing the authorized share capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

203. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

204. In terms of the Share Subscription Agreement between the Company, BENNETT COLEMAN AND COMPANY LIMITED (BCCL) and Company's Promoters dated 31 December 2008, as amended from time to time ("BCCL Subscription Agreement"); Share Subscription Agreement dated 31 December 2008 between Dharmayug Investments Limited ("Dharmayug"), the Company and Company's Promoters (the "Dharmayug Subscription Agreement"); Share Subscription Agreement dated 20 October 2009 between the Company, Brand Equity Treaties Limited (now merged with BCCL pursuant to a scheme of merger by absorption of BETL with BCCL and their respective shareholders as approved by National Company Law Tribunal, Mumbai Bench vide order dated August 12, 2020 read with order dated September 7, 2020 and understood to be BCCL for the purposes of this Agreement) and Company's Promoters (the Second BCCL Subscription Agreement"); and the Share Purchase and Shareholders Agreement between the Company, Brand Equity Treaties Limited (now merged with BCCL pursuant to a scheme of merger by absorption of BETL with BCCL and their respective shareholders as approved by National Company Law Tribunal, Mumbai Bench vide order dated August 12, 2020 read with order dated September 7, 2020 and understood to be BCCL for the purposes of this Agreement) and Company's Promoters dated 20 October 2009, as amended from time to time ("BCCL SPA").

("BCCL" and "Dharmayug" are hereinafter referred to as such, or individually as "Investor" and collectively as "Investors").

("BCCL Subscription Agreement", "Dharmayug Subscription Agreement", "Second BCCL Subscription Agreement" and BCCL SPA are hereinafter referred to as such, or severally as "Subscription Agreements")

Notwithstanding anything to the contrary contained in these Articles:

A. In the event that the Company issues any further shares, including in the event of a merger or amalgamation of another entity with the Company, within a period commencing from the date hereof till any point of time prior to the completion of the IPO (a "Fresh Offering"), whereby the present Price is lower than the Adjusted Subscription Price or Adjusted Transaction Price, as applicable, then the Company shall issue and the Promoters shall cause the Company to issue and allot such number of shares forming part of the fresh Offering to Investors, in accordance with applicable law, for no additional consideration or the minimum additional consideration permitted in accordance with the applicable law, such that the weighted average price of the Subscription Shares and the Transaction Shares, and the Shares acquired by Investors at the fresh Offering shall be equal to the Present Price paid for the shares issued at the Fresh Offering by another Person. The company shall obtain and the Promoters shall cause the company to obtain all approvals, regulatory and otherwise in this regard. In the event the Company is unable to allot the Shares to Investors for no additional consideration, the Promoters shall, jointly and severally, transfer such number of shares held by the Promoters at no additional consideration to Investors, such that the weighted average price of the Subscription shares and the Transaction Shares and the Shares acquired by Investors from the Promotor in the manner indicate herein shall be equal to the present price paid for the shares issued at the fresh offering by another person. Provided that this Article shall not be applicable to issue of shares by way of an ESOP. For the purpose of calculating the weighted average price of the Subscription Shares and the Transaction Shares in terms of this Article, the Subscription Price and the Transaction Price shall be deemed to be the Adjusted Subscription Price or Adjusted Transaction Price, as applicable.

B. The company shall not issue Shares through the IPO whereby the present IPO Price is lower than the Adjusted Subscription Price or Adjusted Transaction Price. In the event that the IPO takes place at a price whereby the Present IPO Price is lower than the Adjusted Subscription Price or Adjusted Transaction Price, as applicable, the Promoters hereby covenant and undertake, jointly and severally, to transfer such number of Shares to Investors for no additional consideration such that the weighted average price of the Subscription Shares and the Transaction Shares (i.e., the Shares held by Investors on the date of allotment of the Subscription Shares, the Transaction Shares and the shares transferred by the Promoters, or any of them, as the case may be in accordance with the terms hereof) is equal to the present IPO price. It is clarified that the transfer of shares by the promotor, or any of the, as the case may be, shall take place on the next succeeding Business Day after the completion of the statutory lock-in as per applicable law, on the promoters' holding in excess of minimum promoters' contribution prescribed in regulation 16 (b) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations'), as may be amended from time to time. The Promoters, jointly and severally, undertake to keep available such number of shares as may be required to fulfill their obligations in terms hereof and ensure that the same are not subject to the three year lock-in on a promoter's contribution under the ICDR Regulations. It is further clarified that the number of Shares to be transferred to Investors by the Promoters, or any of them, as the case may be, shall be computed on the basis of the Present IPO Price. For the purpose of calculating the weighted average price of the Subscription Shares and the Transaction Shares in terms of this article, the Subscription Price and the Transaction Price shall be deemed to the Adjusted Subscription Price or Adjusted Transaction Price, as applicable. Provided that this Article shall not be applicable to the issue price determined in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 for the purpose of an initial public offering by the Company.

C. The Promoters shall not transfer any part of their Shareholding in the Company, without the prior written of Investors. Further the Promoters, or any of them, as the case may be, shall make available to Investors details, including as to price, of all sales carried out in terms of Article 25D (2) hereunder, no later than 7 (Seven)days from the date of entering into an agreement for such sale. Provided that this Article shall not be applicable to the following:

i) Transfer of Shares inter-se Promoters;

D. 1) Put-Option:

In the event that the IPO of the Company is not completed for any reason whatsoever by the Long Stop Date, Investors shall have the right, by written demand signed by Investors (Put Option Notice), to require the Promoters, jointly and severally, to purchase all or some of the Shares held by Investors as indicated by Investors in the Put Option Notice, at the price per Share being not less than the Sale Price. For the purposes of this Article 25D(1), the "Sale Price" shall mean an amount equal to the adjusted Subscription Price or the Transaction Price, as applicable, and a return of 15% (Fifteen Percent) Per annum on the Adjusted Subscription Price or the Adjusted Transaction Price, as applicable, compounded annually on the basis of a 365 days year, net of any dividend per Share paid by the company from the date of allotment of the Subscription Shares or the Transaction Shares, as applicable till the date of purchase of Subscription Shares and the Transaction Shares by the Promotors in accordance with this Article hereof.

2) Tag Along Right:

i) Notwithstanding anything to the contrary in these Articles subject however to Article 25Cabove, the Parties hereby agree that in the event the Promoters, or any of them, as the case may be, by themselves or through their affiliates, intends to Transfer all or part of their Shareholding in the Company to a third party who is not an affiliate of the Promoters (The "Third Party Offeror"), the Promoters shall Provide notice if such proposed sale to Investors no later than 30 (Thirty) days prior to the proposed closing of such sale. The Promoters, or any of them as the case may be, shall not be permitted to carry out the sale unless simultaneously with the sale the Third Party Offeror makes an offer in writing to Investors to purchase a pro-rata portion (i.e. ratio of Shares of the Promoters proposed to be Transferred to the Shares held by the Promoters at the time of the sale or disposal, as the case may be) of the shares held by Investors in the company at such time, on the same terms and conditions as the Third Party Offeror's proposed acquisition of shares from the promotors, or any of the, as the case may be, including as to price (The "Tag-Along Offer"). The Third Party offeror's Tag-Along offer shall remain open for acceptance for not less than 30 (Thirty) days following delivery to Investors of the offer of the Third Party Offeror.

Provided that in the event that any such sale or disposal by the Promoters results in the Promoters' Shareholding falling below 51% (Fifty one percent) of issued and outstanding equity share capital of the Company (whether in a single transaction or a series of transaction related or otherwise), the promotors shall not be permitted to carry out such sale or otherwise dispose of the Shares held by the Promoters, unless simultaneously with the sale, the Third Party Offeror makes an offer in writing to Investors to purchase all the Subscription Shares and the Transaction Shares held by Investors in the Company at such time, on the same terms and conditions as the Third Party Offeror's proposed acquisition of Shares from the Promoters, including as to Price.

ii) If the Third Party offeror refuses to purchase Shares from Investors and Investors notifies the Promoters in writing within 30 (Thirty) days following receipt by Investors of the Promoters' notice that it desires to sell its Shares to the third Party Offeror, the Promoters Shall reduce the number of shares proposed to be sold to the Third Party Offeror and Investors shall sell to the third Party Offeror, and Promoters shall ensure that the Third Party Offeror shall buy, a pro-rata portion or all of the Shares held by Investors at that the time, as the case may be, on the same terms and conditions, including as to the price as described in Article 25D (2)(i) hereinabove. It is clarified that the Promoters will not be permitted in to sell any Shares to the Third Party Offeror, unless and until the Third Party Offeror has acquired all the Shares offered by Investors on the terms and conditions, including as to price, as described in Article 25D (2) (i).

3) Right of First Refusal:

i) Subject to the lock- in restriction in respect of the Subscription Shares and the Transaction Shares prescribed in the respective Subscription Agreement, Investors shall have the right to sell the Subscription Shares or a part thereof or the Transaction Shares or a part thereof by way of a negotiated deal to any third party in the manner provided in this Article and shall be entitled to share such information with respect to the performance of the Company with such third Party.

ii) Before the completion of the IPO, if Investors desire to transfer the Subscription Shares, or a part thereof by way or the Transaction Shares or a part thereof of a negotiated deal, Investors shall first give a written notice (the Transfer Notice") to the Promoters, stating Investors' intention to Transfer the Subscription Shares and/or the Transaction Shares, the number of the Subscription Shares or the Transaction Shares proposed to be transferred, the identity and details of the proposed buyer and the price and the other terms and conditions at which Investors proposed to Transfer the Subscription Shares and/or the Transaction Shares.

iii) Upon receipt of the notice, the Promotors shall have the irrevocable and exclusive right to buy all the Subscription Shares and the Transaction Shares offered by Investors, by themselves or by a person/ entity nominated by the Promotors, at the price and on the same terms and conditions as specified in the Transfer Notice. Such a right shall be exercisable by a written notice from the Promoters to Investors, within 30 (Thirty) days from the date of receipt of transfer notice send by Investors. In the event that the Promotors or any person/entity nominated by the Promotor does not buy the Subscription Shares and the Transaction Shares specified in the Transfer Notice, then Investors shall have the right to sell the Subscription Shares and the Transaction Shares to the said proposed buyer on terms not more favourable than those specified in the transfer notice.

iv) If the Promoters, by themselves or through an entity nominated by them, fails to purchase the Subscription Shares and the Transaction Shares within 21 (twenty-one) days from the date of the notice by which the Promoters exercised their right to buy the Subscription Shares and the Transaction Shares, in addition to all other remedies available in law to Investors, the Right of First Refusal in terms of this Article 8.2 shall stand extinguished.

v) After the occurrence of the IPO, Investors shall have the right to transfer, the Subscription Shares, or a part thereof, Transaction Shares, or a part thereof, in any manner and to any person that it deems fit.

4) It is clarified that, subject to Article 25D (3) above, Investors shall have the right to transfer or sell or otherwise dispose of the Investors' shares in any manner.

E. Capitalized terms used in this Article 25 and Article 46, to the extent not defined herein, shall have the same meanings as ascribed to such terms in the Subscription Agreements with respective Investor.

DEMATERIALIZATION OF SHARES

205. Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialize its shares and to offer shares in a dematerialized form pursuant to the Depositories Act, 1996.

206. Notwithstanding anything contained in these articles, and subject to the provisions of law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the shares, which are in dematerialized form.

207. Every person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a depository. Such a person who is the beneficial owner of the shares can at any time opt out of a depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. If a person opts to hold his shares with a depository, the Company shall intimate such depository the details of allotment of the share, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the share.

208. All shares held by a depository shall be dematerialized and shall be in a fungible form.

209. (a) Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owners.

(b) Save as otherwise provided in 4(v)(a) above, the depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.

(c) Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such shares and shall also be deemed to be the member of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a depository.

210. Notwithstanding anything in the Act or these articles to the contrary, where shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or disks or any other mode as prescribed by law from time to time.

211. Notwithstanding anything in the Act or these articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

212. Nothing contained in the Act or these articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

213. The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996, containing details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law(s) including any form of electronic media.

214. The Company shall have the power to keep in any state or country outside India a branch register resident in that state or country.

TRANSFER OF SHARES

215. The Company shall Transfer Securities only in a dematerialized form.

216. The Company shall use a common form of transfer. The instrument of transfer shall be in writing and all provisions of the Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and the registration thereof.

217. The instrument of transfer of any Securities in the Company shall be executed by or on behalf of both the transferor and transferee shall be in writing.

218. The transferor shall be deemed to remain a holder of the Security until the name of the transferee is entered in the Register of Members in respect thereof.

219. In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

220. The Company, the transferor and the transferee of the Securities shall comply with the requirements under the applicable laws.

221. The Board may, subject to the right of appeal conferred by the Act decline to register –

(i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(ii) any transfer of shares on which the Company has a lien.

The Company shall within 30 days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares. Further, any contract or arrangement between 2 (two) or more persons in respect of the transfer shall be enforceable as a contract.

222. In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless –

(i) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

(ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and if no such certificate is in existence, then the letter of allotment of the shares and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(iii) the instrument of transfer is in respect of only one class of shares; and

(iv) Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee provided that where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee on the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

223. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty- five days in the aggregate in any year.

224. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

225. Notwithstanding the restrictions contained in Articles 42 above, the Company and the shareholders agree that the securities registered in the name of Investors shall be freely transferable subject to the right of first refusal in terms of the respective Subscription Agreements and the Board of Directors shall register any and all transfer of its securities made by Investors subject only to the satisfaction of Articles 42 above. Any amendment to the articles of association of the Company with respect to article 42 and Article 46 shall require affirmative vote of Investors.

LIEN

226. (i) The Company shall have a first and paramount lien –

a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

b. on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

(iii) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

(iv) Fully paid shares shall be free from all lien and in the case of partly paid shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

227. 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 to the person entitled thereto by reason of his death or insolvency or otherwise.

228. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(i) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(ii) 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 with reference to the sale.

229. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(i) 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.

230. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

231. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

CALL ON SHARES

232. (i) The Board may, from time to time, make calls upon the members in respect of any money unpaid on the 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 the Board shall not give right or option to any other person except with the sanction of the Company in General Meeting.

Provided further that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.

(i) 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.

(ii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(iii) A call may be revoked or postponed at the discretion of the Board.

233. 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.

234. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

235. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof ("**the due date**"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(i) The Board shall be at liberty to waive payment of any such interest wholly or in part.

236. **(i)** Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(i) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(ii) If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

(iii) All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

(iv) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

237. The Board –

(i) may, if it thinks fit, subject to the provisions of Section 50 of the Act, 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 beyond the sums actually called for; and

(ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

238. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

239. Save as aforesaid, Articles 13 to 18 of Table 'F' shall apply.

TRANSMISSION OF SHARES

240. (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 recognized by the Company as having any title to his interest in the shares.

(i) Nothing in clause (1) 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.

241. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

a. to be registered himself as holder of the share; or

b. to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

(iii) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

242. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(i) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(ii) All the limitations, restrictions and provisions of these Articles 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.

243. 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.

244. The provisions of these Articles relating to transmission by operation of law shall mutatis *mutandis* apply to any other securities including debentures of the Company.

FORFEITURE OF SHARES

245. If a member fails to pay any call, or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring the payment of such part of the call or instalment or other money as is unpaid, together with any interest which may have accrued thereon. Upon failure to comply with the terms of the notice, the Company reserves the right to forfeit such shares.

246. The notice aforesaid shall:

(i) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

247. 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.

248. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(i) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

249. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(i) 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.

250. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(i) 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.

(ii) The transferee shall thereupon be registered as the holder of the share; and

(iii) 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.

251. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

252. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

253. Save as aforesaid, Articles 28 to 34 of Table ‘F’ shall apply.

ALTERATION OF CAPITAL

254. 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.

255. Subject to the provisions of the Act, the Company may, by ordinary resolution—

(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(ii) convert all or any of its fully paid-up shares into stock, and re-convert that stock into fully paid-up shares of any denomination;

(iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub- division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or;

(iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

256. Where shares are converted into stock—

(i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles 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.

(ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(iii) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those Articles shall include “stock” and “stock-holder” respectively.

257. The Company may, by resolution as prescribed in the Act, reduce in any manner and with, and subject to, any incident authorized and consent required by law —

(i) its share capital;

(ii) any capital redemption reserve account;

(iii) any share premium account; or

(iv) any other reserve in the nature of share capital.

258. The Company may as per the applicable provisions of the Act, issue shares under preferential basis and private placement.

CAPITALIZATION OF PROFITS

259. (i) The Company in general meeting may, upon the recommendation of the Board, resolve —

a. 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

b. that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (c), either in or towards —

a. paying up any amounts for the time being unpaid on any shares held by such members respectively;

b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

c. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);

d. A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

e. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

260. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

b. generally, do all acts and things required to give effect thereto.

(ii) The Board shall have power—

a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

261. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

262. All general meetings other than annual general meeting shall be called extraordinary general meeting.

263. The Board may, whenever it thinks fit, call an extraordinary general meeting.

264. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

265. 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.

266. No business shall be discussed or transacted at any general meeting except election of the Chairperson whilst the chair is vacant.

267. The quorum for a general meeting shall be as provided in the Act. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

268. 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.

269. 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, by poll or electronically, choose one of their members to be Chairperson of the meeting.

270. 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.

271. 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.

272. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.

273. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

274. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

275. The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

276. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.

ADJOURNMENT OF MEETING

277. 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.

278. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place

279. 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.

280. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

281. Subject to any rights or restrictions for the time being attached to any class or classes of shares:

c) on a show of hands, every member present in person shall have one vote; and

d) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

282. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

283. 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.

284. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

285. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

286. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

287. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

288. 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 or in regard to which the Company has exercised any right of lien.

289. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

290. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

PROXY

291. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

292. The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

293. An instrument appointing a proxy shall be in the form as prescribed in the Rules.

294. 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

295. The subscribers to the Memorandum and Articles of Association of the Company shall be the first Directors of the Company.

296. Unless otherwise determined by the Company in general meeting, the number of directors shall not be more than 12 (Twelve).

297. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

298. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Company shall have such number of Woman Director(s) on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

299. The Board may appoint an alternate director to act for a director (hereinafter in this Article 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 under the provisions of the Act.

300. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

301. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

302. Subject to applicable provisions of the Act, the remuneration of the Directors of the Company, including fees payable to the Directors in attending meetings of the Board or Committees of the Board, shall be determined by the Board of the Company, from time to time.

303. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

304. 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 an ordinary/special resolution, as the case may be, passed by the Company in general meeting.

305. 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—

(i) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

(ii) in connection with the business of the Company.

If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.

306. Sitting fees, subject to ceiling as provided in the Act, may be paid to the Directors other than Managing Director, joint Managing Director and whole-time Director.

307. 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.

308. Subject to provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of directors and additional directors together shall not at any time exceed maximum strength fixed for the Board by the Articles.

309. Save as aforesaid Articles 62 to 75 of Table 'F' shall apply.

310. The Additional Directors so appointed shall hold office until the conclusion of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

311. (i) 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.

(i) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

NOMINEE DIRECTOR

312. If at any time the Company obtains any loan or any assistance in connection there with by way of guarantee or otherwise from any person, firm, body corporate, local authority or public body (hereinafter called "the institution") or if at any time the Company issues any shares or debentures and enters into any contract or arrangement with the institution, whereby the institution subscribes for or underwrites the issue of the Company's shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract or agreement that the institution shall have the right to appoint one or more directors to the Board, subject to the terms and conditions of such loan, assistance, contract or arrangement, the institution shall be entitled to appoint one or more director or directors, as the case may be, to the Board and to remove from office any director so appointed and to appoint another in his place or in the place of the director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the registered office. The Director or Directors so appointed may or may not be liable to retire by rotation and shall continue in the office for so long as the relative loan, assistance, contract or arrangement, as the case may be, subsists.

DEBENTURE DIRECTOR

313. If it is provided by the trust deed, securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation and shall continue in office for so long as the debentures are not redeemed.

SPECIAL DIRECTOR

314. The Company shall, subject to the provision of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee or nominees on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. Such, nominees and their successors in office appointed in pursuance of this Article shall be called "Special Directors" of the Company.

315. The Special Director/s appointed hereof shall be entitled to hold office until requested to retire by the person, firm or corporation which may have appointed him / them and Special Director/s may or may not be liable to retire by rotation. As and when the Special Director vacates office whether upon request as aforesaid or by death, resignation of otherwise, the person, firm or corporation who or which appointed such Director may appoint any other person as such Director in his place. A special Director may at any time, by notice in writing to the Company resign his office. Subject to the aforesaid a special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

POWERS OF BOARD

316. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any Articles, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

PROCEEDINGS OF THE BOARD

317. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(i) The Chairperson or any one director with the previous consent of the Chairperson, may or the secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

(ii) The quorum for a Board meeting shall be as provided in the Act.

(iii) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

318. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(i) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

319. 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.

320. (i) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence the Board may elect a Chairperson of its meeting and determine the period for which he is to hold office.

(i) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

321. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

322. (i) 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.

(i) Any committee so formed shall, in the exercise of the powers so delegated, conform to any Articles that may be imposed on it by the Board.

323. (i) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

(i) 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.

324. (i) A committee may meet and adjourn as it thinks fit.

(i) 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.

325. 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.

326. 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.

BORROWING POWER

327. Subject to the provisions of the Section 73, 179, 180 and 185 of the Act, and without prejudice to the powers conferred by other Article or Articles, the Board or Directors may, from time to time and at their discretion to raise or to borrow or secure the payment of any sum or/and sums of money, for purpose of the Company, either from any Director or member or elsewhere, on security or otherwise and may secure the repayment or payments of any sum or sums, in such manner and upon such terms and condition, in all respects as they think fit, and particular, by the creation of any mortgage, hypothecation or charge on the undertaking or the whole or part of the property, present or future, or the uncalled capital, of the Company or by the issue of debentures or debentures stock of the Company, both present and future, including its uncalled capital, for the time being, and the Directors or any of them may guarantee the whole, or any part of the loans or debts, raised or incurred, by or on behalf of the Company, or any interest payable thereon, and shall be entitled to receive such payments as consideration for the giving of such guarantee, as may be determined, by the Directors, with power to indemnify the guarantors, from or against liability under their guarantee by means of a mortgage or charge on the undertaking of the Company, or any of its property, or assets or otherwise.

328. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

329. The Board may by resolution at its meeting, delegate the above power to borrow money otherwise than on Debentures to a Committee of Directors or Managing Director or to any other person permitted by applicable Law, if any, and shall specify the total amount up to which monies may be borrowed which shall in no circumstances exceed the limits as permitted to be borrowed by the Board.

330. To the extent permitted under the Applicable Law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interest of the Company.

CHIEF EXECUTIVE OFFICER / MANAGER / SECRETARY / CHIEF FINANCIAL OFFICER

331. Subject to the provisions of the Act—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board. The Board may appoint one or more chief executive officers for its multiple businesses.

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(iii) A provision of the Act or these Articles 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.

332. Manager or Secretary may be appointed in accordance with Articles 77 and 78 of Table ‘F’.

MANAGING DIRECTOR

333. Subject to the provisions of Sections 196, 197, and 203 and Schedule V of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places. The Managing Director shall exercise such powers as may be delegated to him by the Board subject to its overall control and supervision. The Managing Director shall report all material actions undertaken, or proposed to be undertaken, by him in the exercise of powers delegated to him to the Board of Directors at their meetings.

334. Subject to the provisions of Act and Rules and Schedule of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.

335. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in the Act thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

REGISTERS

336. (i) The Company shall keep and maintain at its registered office, the register including register of charges, register of members, register of Directors, annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name , register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and index of members/debenture holders/other security holders and other registers (the "Register") as required to be kept and maintained under the Act, or Rules made thereunder, the Depositories Act and other applicable Laws, with the details of shares/debentures/other securities held in physical and dematerialized form in any medium as may be permitted by law including any form of electronic medium.

(ii) In accordance to the provisions of Section 94 of the Act, the registers required to be kept and maintained by a company under section 88 and copies of the annual return filed under section 92 may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a General Meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance. Provided further that the period for which the registers, returns and records are required to be kept shall be such as may be prescribed under the Act.

(iii) The Register and index of beneficial owner maintained by a Depository under Section 11 of the Depositories Act shall also be deemed to be the Register and index of members/debenture holders/other security holders for the purpose of the Act and any amendment or re-enactment thereof.

(iv) The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such Articles as it may think fit respecting the keeping of any such register.

(v) The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

THE COMMON SEAL

337. The Board of Directors may select a seal for the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the Seal. The Seal of the Company shall not be affixed to any instrument except by authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of any Director or chief executive officer or manager or company secretary or chief financial officer or such other person as the Board or any Committee of the Board may appoint for such purpose; and the Director or chief executive officer or manager or company secretary or chief financial officer or the company secretary or other person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence. However, the share certificates shall be sealed and signed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014.

DIVIDENDS AND RESERVE

338. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

339. Subject to the provisions of the Act, 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.

340. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for 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, thinks fit.

(i) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

341. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(i) No amount paid or credited as paid on a share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the share, including to confer a right to dividend or to participate in profits.

(ii) 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.

342. (i) 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.

(i) The Board may retain dividends payable upon shares in respect of which any person is, entitled to become a member, until such person shall become a member in respect of such shares.

343. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(i) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(ii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

344. 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.

345. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

346. No dividend shall bear interest against the Company

(i) The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

(ii) The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend A/c_______".

(iii) The Company shall, within a period of 90 (ninety days) of making any transfer of an amount under sub- clause (b) above to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

(iv) If any default is made in transferring the total amount referred to in sub- clause (b) above or any part thereof to the Unpaid Dividend Account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

(v) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer. No unclaimed or unpaid dividend shall be forfeited by the Board. All unpaid and unclaimed dividends shall be dealt with in accordance with the provisions of Sections 124 and 125 of the Act and rules made thereunder.

(vi) All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules. along with a statement containing such details as may be prescribed. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

(vii) Further, there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

ACCOUNTS

347. (i) The Company shall prepare and keep at its books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of affairs of the Company, and that of its branch offices, and explain the transactions effected both at the registered office and its branch offices and such books shall be kept on accrual basis and according to double entry system of accounting. Books of accounts may also be maintained in electronic form.

(i) The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

(ii) The Company shall preserve in good order the books of accounts relating to a period of not less than eight years preceding the current year together with vouchers relevant to entries in such books of accounts

(iii) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.

(iv) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board. or by the company in general meeting.

FINANCIAL STATEMENT

348. The Directors shall lay before each Annual General Meeting, Financial Statement for the financial year of the Company audited by a qualified chartered accountant under the provisions of the Act.

AUDIT

349. The Directors may fill up any casual vacancy in the office of the auditors.

350. An auditor can render such other services to the Company as permissible under the Act subject to the approval of Board or Audit Committee.

351. The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

352. The remuneration of the auditors shall be fixed by the Company in General Meeting or by Board if authorised by shareholders of the Company.

WINDING UP

353. 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 in kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

354. 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 member or different classes of members.

355. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefits of the contributors as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any share or such other securities whereon there is any liability.

SECRECY

356. Every Director, Chairman, Managing Director, Manager, Auditor Member of the Committee, Officer, Servant Agent, Accountant or other persons employed in the business of the Company shall observe strict secrecy in respect of all transactions of the company.

INDEMNITY & INSURANCE

357. Subject to the provisions of Section 197 of the Act, every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company, to pay all costs, losses and expenses (including travelling expenses) which such officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, chief executive officer or manager or company secretary or chief financial officer or officer or in any way in the discharge of his duties in such capacity including expenses or against any bonafide 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 connection with any application under Section 463 of the Act in which relief is granted to him by the Court.

358. 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.

GENERAL POWER

359. 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 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.

Board of Directors of the Company shall be authorised to take any action in the interest of Company irrespective of the fact that any specific provision in these Articles is not contained in that regard, provided such action is otherwise permitted under the Act. Such action, if permitted under the Act, shall be deemed that they are taken in pursuance of Articles made under these articles.

Members of the Company by passing necessary resolution in their meeting may waive any condition imposed under these Articles for transaction of any business by the Company or by the Board of Directors. After such waiver, the transaction shall be deemed to be carried as it was permitted and carried by exercising power and authority under these Articles.

Subject to the provisions of the Act, no Director or other Officer of the Company shall be liable for the acts, receipt, 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 expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of 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 judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

AUTHENTICATION OF DOCUMENTS, PROCEEDINGS AND CONTRACTS

360. Save as otherwise provided in the Act or in these Articles, a document or proceeding or books of the Company or contracts made by or on behalf of the Company, requiring authentication by the Company, may be signed by a Director or key managerial personnel or any other person duly authorised for this purpose by the Board or a Committee of the Board and need not be under its Seal.

SECTION XI: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Copies of the documents for inspection referred to hereunder, will also be available on the website of the Company at https://www.credobrands.in/investors from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date). Any of the contracts or documents mentioned in this 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, without reference to the Shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer agreement dated July 13, 2023, between our Company, the Selling Shareholders and the BRLMs;
2. Registrar agreement dated July 8, 2023, amongst our Company, the Selling Shareholders, the Registrar to the Offer and the Registrar to the Company;
3. Cash escrow and sponsor bank agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and the Refund Bank(s);
4. Share escrow agreement dated [●] entered into amongst the Selling Shareholders, our Company and a share escrow agent.
5. Syndicate agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer;
6. Underwriting agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters;

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time;
2. Certificate of incorporation dated April 29, 1999;
3. Fresh certificate of incorporation dated May 11, 2023 pursuant to conversion of the Company from a private company to a public company;
4. Resolution of the Board of Directors dated June 26, 2023, in relation to the Offer and other related matters;
5. Resolution of the Board of Directors dated July 13, 2023, approving this Draft Red Herring Prospectus for filing with SEBI and Stock Exchanges.
6. Consent letters from Kamal Khushlani, Poonam Khushlani, Sonakshi Khushlani, Andrew Khushlani, Jay Milan Mehta and Sagar Milan Mehta, each dated July 7, 2023 in relation to the Offer.
7. Consent letter from Bela Properties Private Limited dated July 7, 2023 in relation to the Offer.
8. Consent letter from Concept Communication Limited dated July 7, 2023 in relation to the Offer.
9. Resolution of the board of directors of the Other Selling Shareholder, namely, Concept Communication Limited, dated May 26, 2023, authorising its participation in the Offer for Sale.
10. Resolution of the board of directors of the Other Selling Shareholder, namely, Bela Properties Private Limited, dated June 13, 2023, authorising its participation in the Offer for Sale.

11. Resolution of the Board dated May 9, 2023 and the resolution of our Shareholders dated July 4, 2023 in relation to terms of remuneration of our Chairman and Managing Director, namely, Kamal Khushlani.

12. Resolution of the Board dated May 9, 2023 and the resolution of our Shareholders dated July 4, 2023 in relation to terms of remuneration of our Whole-time Director, namely, Poonam Khushlani.

13. Examination report dated June 26, 2023, of our Statutory Auditors on our Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus along with the Restated Consolidated Financial Information;

14. Copies of the annual reports of the Company for the Fiscal Years 2023, 2022 and 2021;

15. The statement of special tax benefits dated July 10, 2023, from our independent chartered accountant, being Dileep & Prithvi, Chartered Accountants;

16. In principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively;

17. Consent of the Directors, the BRLMs, the Syndicate Members, the Legal Counsel to the Company, the Registrar to the Offer, the Escrow Collection Bank(s), Refund Banks(s), Sponsor Bank(s), Public Offer Account Bank, the Bankers to our Company, the Company Secretary and Compliance Officer and the Chief Financial Officer, to act in their respective capacities;

18. Consent letter dated July 13, 2023 from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of the examination report dated June 26, 2023 relating to the Restated Consolidated Financial Information issued by them and included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act;

19. Consent dated July 11, 2023 from Dileep & Prithvi, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered accountant to our Company and in respect of the certificates issued by them and statement on tax benefits, the details derived from the certificates and to be included in this Draft Red Herring Prospectus;

20. Consent dated July 13, 2023 from S Pardeshi & Associates, Company Secretaries, to include their name in this Draft Red Herring Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a practicing company secretary and in respect of the report issued by them, the details derived from the report and to be included in this Draft Red Herring Prospectus;

21. Certificate from Dileep & Prithvi, Chartered Accountants, dated July 13, 2023, in relation to the KPIs;

22. Resolution dated July 13, 2023 passed by the Audit Committee approving the KPIs;

23. Engagement letter dated January 12, 2023 with Technopak;

24. Consent from Technopak dated July 11, 2023, to include contents or any part thereof from their report titled "*Industry Report on Men's Western Apparel in India"* dated July 11, 2023, in this Draft Red Herring Prospectus;

25. Report titled "*Industry Report on Men's Western Apparel in India*" dated July 11, 2023, prepared and issued by Technopak, which has been commissioned exclusively for the purposes of the Offer for an agreed fee and is available on the website of our Company at https://www.credobrands.in/investors;

26. Share subscription agreement dated December 31, 2008, entered amongst Bennett Coleman & Co. Ltd., the Company, Kamal Khushlani, Kavita Khushlani and Poonam Khushlani;

27. Agreement dated July 12, 2023 amongst Bennett Coleman & Co. Limited, the Company, Kamal Khushlani and Poonam Khushlani to amend the terms of the BCCL SSA;

28. Share subscription agreement dated December 31, 2008 amongst Dharmayug Investments Limited, the Company, Kamal Khushlani, Kavita Khushlani and Poonam Khushlani;

29. Agreement dated July 12, 2023 amongst Dharmayug Investments Limited, the Company, Kamal Khushlani and Poonam Khushlani to amend the terms of the Dharmayug SSA;

30. Share purchase and shareholders agreement dated October 20, 2009 entered amongst Brand Equity Treaties Limited, the Company and Kamal Khushlani;

31. Share subscription agreement dated October 20, 2009 entered amongst Brand Equity Treaties Limited, the Company, Kamal Khushlani, Poonam Khushlani and Kavita Khushlani;

32. Agreement dated July 12, 2023 amongst Bennett Coleman & Co. Limited, the Company and Kamal Khushlani to amend the terms of the BETL SPA;

33. Agreement dated July 12, 2023 amongst Bennett Coleman & Co. Limited, the Company, Kamal Khushlani and Poonam Khushlani to amend the terms of the BETL SSA;

34. Tripartite agreement dated March 4, 2014, between our Company, NSDL and Registrar to the Company;

35. Tripartite agreement dated February 10, 2023, between our Company, CDSL and the Registrar to the Company;

36. SEBI's observation letter number [●] dated [●]; and

37. Due diligence certificate to SEBI from the BRLMs dated July 13, 2023;

Any of the contracts or documents mentioned in this 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, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, 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, 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. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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KAMAL KHUSHLANI
Chairman and Managing Director

Place: Mumbai
Date: July 13, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, 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, 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. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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POONAM KHUSHLANI
Whole-time Director

Place: Mumbai
Date: July 13, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, 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, 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. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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MANOJ NAKRA
Non-Executive Director

Place: Mumbai
Date: July 13, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, 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, 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. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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AMER JALEEL
Independent Director

Place: Mumbai
Date: July 13, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, 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, 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. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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PARESH BAMBOLKAR
Independent Director

Place: Mumbai
Date: July 13, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, 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, 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. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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RAMONA JOGESHWAR
Independent Director

Place: Mumbai
Date: July 13, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 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, 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. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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RASIK MITTAL
Chief Financial Officer

Place: Mumbai
Date: July 13, 2023

DECLARATION

I, Kamal Khushlani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY KAMAL KHUSHLANI

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Place: Mumbai

Date: July 13, 2023

DECLARATION

I, Poonam Khushlani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY POONAM KHUSHLANI

Place: Mumbai

Date: July 13, 2023

DECLARATION

I, Sonakshi Khushlani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY SONAKSHI KHUSHLANI

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Place: Mumbai

Date: July 13, 2023

DECLARATION

I, Andrew Khushlani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY ANDREW KHUSHLANI

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Place: Mumbai

Date: July 13, 2023

DECLARATION

Concept Communication Limited hereby confirms that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and its portion of the Offered Shares, are true and correct. It assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

FOR AND ON BEHALF OF CONCEPT COMMUNICATION LIMITED

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Place: Mumbai

Date: July 13, 2023

DECLARATION

Bela Properties Private Limited hereby confirms that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and its portion of the Offered Shares, are true and correct. It assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

FOR AND ON BEHALF OF BELA PROPERTIES PRIVATE LIMITED

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Place: Kolkata

Date: July 13, 2023

DECLARATION

I, Jay Milan Mehta, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY JAY MILAN MEHTA

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Place: New York

Date: July 13, 2023

DECLARATION

I, Sagar Milan Mehta, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY SAGAR MILAN MEHTA

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Place: New York

Date: July 13, 2023