



**GSM FOILS LIMITED**  
CIN: U43303MH2023PLC405459

Registered Office	Contact Person	Email and Telephone	Website
Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East IE, Thane, Maharashtra, India, 401208	Mr. Pratik M Makwana Company Secretary and Compliance Officer	<b>Email:</b> <a href="mailto:investors@gsmfoils.com">investors@gsmfoils.com</a> <b>Telephone:</b> +9184689 68102	<a href="http://www.gsmfoils.com">www.gsmfoils.com</a>

**THE PROMOTERS OF OUR COMPANY ARE MR. SAGAR GIRISH BHANUSHALI AND MR. MOHANSINGH L PARMAR**

**DETAILS OF ISSUE TO PUBLIC, PROMOTER**

TYPE	FRESH ISSUE SIZE	OFS SIZE	TOTAL ISSUE SIZE	ELIGIBILITY 229(1) / 229(2) & SHARE RESERVATION AMONG NII & RII
Fresh Issue	34,40,000 Equity Shares aggregating to ₹ 1,100.80 Lakhs.	N.A.	34,40,000 Equity Shares aggregating to ₹ 1,100.80 Lakhs.	The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations. As the Company's post issue face value capital exceed ₹ 10.00 Crores.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**

**RISKS IN RELATION TO THE FIRST ISSUE**

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 3.2 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 77 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23 of this Draft Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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


**LISTING**

The Equity Shares Issued through the Draft Prospectus are proposed to be listed on Emerge Platform of NSE ("NSE EMERGE"). Our Company has received "In-Principle" approval from the NSE Emerge for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Issue, the Designated Stock Exchange shall be NSE.

**LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>SHRENI SHARES LTD</b> <b>SHRENI SHARES LIMITED</b> (Formerly Known as Shreni Shares Private Limited)	Ms. Tanya Goyal	<b>E-mail:</b> <a href="mailto:shrenishares@gmail.com">shrenishares@gmail.com</a> <b>Telephone:</b> 022- 2089 7022

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>BIGSHARE SERVICES PVT LTD</b>	Mr. Asif Sayyed	<b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Telephone:</b> 022 - 6263 8200

**ISSUE PROGRAMME**

**ISSUE OPENS ON: [●]**

**ISSUE CLOSURES ON: [●]**

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## GSM FOILS LIMITED

Our Company was originally formed as Limited Liability Partnership Firm under the name and style of "M/s. GSM Foils LLP" pursuant to a Certificate of incorporation issued by Registrar of Companies, Central Registration Centre, dated April 05, 2019 with LLP registration number being AAO-7932. M/s. GSM Foils LLP was thereafter converted into a Private Limited Company "GSM Foils Private Limited" pursuant to the provisions of Chapter XXI of the Companies Act, 2013 and fresh a certificate of incorporation dated June 27, 2023 was issued by Registrar of Companies, Central Registration Centre. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to "GSM Foils Limited" pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on July 14, 2023 and a fresh Certificate of incorporation dated September 04 2023 issued by the Registrar of Companies, Mumbai. The Corporate Identity Number of our Company is U43303MH2023PLC405459. For further details on Incorporation and Registered Office of our Company, see "History and Certain Corporate Matters" beginning on page 140 of this Draft Prospectus.

**Registered Office:** Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East IE, Thane, Maharashtra, India, 401208;

**Tel:** +9184689 68102 **E-mail:** investors@gsmfoils.com; **Website:** www.gsmfoils.com

**Contact Person:** Mr. Pratik M Makwana, Company Secretary and Compliance Officer;

### OUR PROMOTER: MR. SAGAR GIRISH BHANUSHALI AND MR. MOHANSINGH L PARMAR

INITIAL PUBLIC OFFERING OF 34,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF GSM FOILS LIMITED ("GSM" OR "OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ 32/- PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 22/- PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ 1,100.80 LAKHS ("THE ISSUE") OF WHICH 1,76,000 EQUITY SHARES AGGREGATING TO ₹ 56.32 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 32,64,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN ISSUE PRICE OF ₹ 32/- PER EQUITY SHARE AGGREGATING TO ₹ 1,044.48 LAKHS ("NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.85 % AND 25.48 % OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 198 OF THIS DRAFT PROSPECTUS.

### THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS 3.2 TIMES OF THE FACE VALUE

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice versa subject to valid applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of UPI Applicants, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page 207 of this Draft Prospectus. A copy will be filed with the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹ 10/- each and the Issue Price is 3.2 times of face value per Equity Share. The Issue Price (determined and justified by our Company in consultation with the Lead Manager, as stated under chapter titled "Basis for Issue Price" beginning on page 77 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23 of this Draft Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares Issued through the Draft Prospectus are proposed to be listed on Emerge Platform of the NSE ("NSE EMERGE"). Our Company has received "In-Principle" approval from the NSE Emerge for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Issue, the Designated Stock Exchange shall be NSE.

### LEAD MANAGER TO THE ISSUE



#### SHRENI SHARES LIMITED

(Formerly Known as Shreni Shares Private Limited)

Office No. 217, Hive 67 Icon, Poisar Gymkhana Road Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall, Kandivali West, Mumbai-400067, Maharashtra, India,

**Telephone:** 022- 2089 7022

**E-mail:** shrenishares@gmail.com

**Investors Grievance e-mail:** info@shreni.in

**Contact Person:** Ms. Tanya Gotal

**Website:** www.shreni.in

**SEBI Registration Number:** INM000012759

### REGISTRAR TO THE ISSUE



#### Bigshare Services Pvt. Ltd.

#### BIGSHARE SERVICES PRIVATE LIMITED

Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400 093, Maharashtra, India

**Tel:** 022 - 6263 8200

**E-mail:** ipo@bigshareonline.com

**Investor grievance e-mail:** investor@bigshareonline.com

**Website:** www.bigshareonline.com

**Contact Person:** Mr. Asif Sayyed

**SEBI Registration No.:** INR000001385

### ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Possible Tax Benefits*”, “*Restated Financial Statements*”, “*Outstanding Litigations and Material Developments*”, “*Key Industry Regulations and Policies*” and section titled “*Main Provisions of the Articles of Association*” on page 84, 163, 179, 132 and 230 respectively of this Draft Prospectus, shall have the meanings ascribed to such terms in the respective sections.

#### GENERAL TERMS

Term	Description
GSM / GSM Foils / The Company / Our Company / The Issuer / GSM Foils Limited	GSM Foils Limited, a company incorporated in India under the Companies Act, 2013 having its Registered Office at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai (East), Thane – 401208, Maharashtra, India
We / us / our	Unless the context otherwise indicates or implies, refers to our Company
you / your / yours	Prospective Investors in this Issue

#### COMPANY RELATED TERMS

Term	Description
AoA / Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted on March 06, 2024 in accordance with Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 143 of this Draft Prospectus
Bankers to our Company	Kotak Mahindra bank Limited and [●]
Board of Directors / Board / Directors (s)	The Board of Directors of GSM Foils Limited, including all duly constituted Committees thereof as the context may refer to
Chairman / Chairperson	The Chairman of Board of Directors of our Company being Mr. Sagar Girish Bhanushali.
Chief Financial Officer / CFO	The Chief Financial Officer of our Company is Mr. Sagar Girish Bhanushali.
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Mr. Pratik M Makwana.
Corporate Identification Number / CIN	U43303MH2023PLC405459
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each fully paid-up
Equity Shareholders / Shareholders	Persons / entities holding Equity Share of our Company
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term “ <i>Group Companies</i> ” includes companies (other than our Promoter and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, any other companies as considered material by our Board, in accordance with the Materiality Policy and as disclosed in chapter titled “ <i>Our Group Company</i> ” beginning on page 161 of this Draft Prospectus

<b>Term</b>	<b>Description</b>
Independent Director(s)	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI LODR Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 143 of this Draft Prospectus
ISIN	International Securities Identification Number. In this case being INE0SQY01018.
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 143 of this Draft Prospectus
Materiality Policy	The policy adopted by our Board on March 06, 2024 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Managing Director	The Managing Director of our Company being Mr. Mohansingh L Parmar.
MOA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on March 06, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 143 of this Draft Prospectus
Non-Executive Director	A Director not being an Executive Director or is an Independent Director
Peer Reviewed Auditors	M/s A Y & Company, Chartered Accountants, having its office located at 505, ARG Corporate Park, Ajmer Road, Gopal Bari, Jaipur – 302 006, Rajasthan, India.
Promoters	The Promoters of Our Company are Mr. Sagar Girish Bhanushali and Mr. Mohansingh L Parmar.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 157 of this Draft Prospectus
Registered Office	The Registered Office of our Company situated at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East, Thane - 401208, Maharashtra, India
Registrar of Companies / RoC	Registrar of Companies, Mumbai, Ministry of Corporate Affairs, 5th Floor, 100, Everest Building, Netaji Subhash Road, Marine Drive, Mumbai - 400 002, Maharashtra, India
Restated Financial Statements	Restated Financial Statements for periods ended December 31, 2023, June 26, 2023, and for the financial years ended March 31, 2023, 2022 and 2021 prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations which comprises the restated summary statement of assets & liabilities, the restated summary statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of our Company, constituted on March 06, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 143 of this Draft Prospectus.
Senior Management	Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 143 of this Draft Prospectus.
Statutory Auditors	The statutory auditors of our Company, currently being M/s. AMB Jain & Co., Chartered Accountants.
Whole Time Director	The Whole Time Director of our company being Mr. Sagar Girish Bhanushali.

## **FINANCIAL AND OPERATIONAL KEY PERFORMANCE INDICATORS**

<b>Key Financial Performance</b>	<b>Explanations</b>
Revenue from Operations	Revenue from Operations is used by the 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 the business. Revenue from operation means revenue from sale of services
EBITDA	EBITDA provides information regarding the operational efficiency of the business. EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses

<b>Key Financial Performance</b>	<b>Explanations</b>
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business. EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business. PAT Margin is calculated as PAT for the period/year divided by revenue from operations
Return on Equity	Return on equity provides how efficiently our Company generates profits from shareholders' funds
Debt-Equity Ratio	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Current Ratio	The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year

## ISSUE RELATED TERMS

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Application Forms
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allot / Allotment / Allotted / Allotment of Equity shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue for Sale to the successful applicants
Allotment Advice	A note or advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Draft Prospectus.
Application lot	4,000 Equity Shares and in multiples thereof
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of this Draft Prospectus
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by UPI applicants using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by UPI applicants using UPI Mechanism
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the UPI applicant blocked upon acceptance of UPI Mandate Request by UPI applicants using the UPI Mechanism to the extent of the Application Amount of the Applicant
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus
Banker(s) to the Issue	Collectively, being the Public Issue Bank and Sponsor Bank and in this case being [●].
Banker(s) to the Issue and Sponsor Bank Agreement	Agreement dated [●], entered into between our Company, Lead Manager, the Registrar to the Issue, Banker to the Issue and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled "Issue Procedure" beginning on page 207 of this Draft Prospectus



<b>Term</b>	<b>Description</b>
Bidding Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants 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 Broker are available on the respective websites of the Stock Exchange.
CAN Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of UPI applicants only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange.
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI applicants using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI applicants where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such UPI applicants using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIIs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated Market Maker	Shreni Shares Limited ( <i>Formerly known as Shreni Shares Private Limited</i> ) will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by UPI applicants where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such UPI applicants using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited. (NSE EMERGE).
Draft Prospectus	This Draft Prospectus issued in accordance with the SEBI ICDR Regulations which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto.
Eligible FPI(s)	FPI(s) that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Application Form and the Prospectus constitutes an invitation to purchase the Equity Shares

<b>Term</b>	<b>Description</b>
Eligible NRI(s)	NRIs from jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the ASBA Form and the Draft Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants
First Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Applications, whose name shall also appear as the first holder of the beneficiary account held in joint names
General Information Document or 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 and the UPI Circulars, as amended from time to time. The General Information Document is available on the websites of the Stock Exchange and the LM.
Issue	This Initial Public Offer of 34,40,000 Equity Shares for cash at an Issue Price of ₹ 32/- per Equity Share aggregating to ₹ 1100.80 Lakhs.
Issue Agreement	The agreement dated March 23, 2024 entered amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing date	The date on which the Issue closes for subscription being [●]
Issue Opening date	The date on which the Issue opens for subscription being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their applications inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of applicants. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published
Issue Price	The final price at which Equity Shares will be Allotted to the successful Applicants, as determined in accordance with the Fixed Price Method and determined by our Company, in consultation with the LM, in this case being ₹ 32/- per Equity Share
Issue Proceeds	The gross proceeds of the Issue which shall be available to our Company, based on the total number of Equity Shares Allotted at the Issue Price. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” beginning on page 69 of this Draft Prospectus
LM / Lead Manager	Lead Manager to the Issue, in this case being Shreni Shares Limited (Formerly known as Shreni Shares Private Limited)
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE
Lot Size	The Market lot and Trading lot for the Equity Share is 4,000 and in multiples of 4,000 thereafter; subject to a minimum allotment of 4,000 Equity Shares to the successful applicants
Market Maker Reservation Portion	The Reserved portion of 1,76,000 Equity shares of ₹ 10/- each at an Issue Price of ₹ 32/- aggregating to ₹ 56.32 Lakhs for Designated Market Maker in the Public Issue of our Company
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated March 23, 2024.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by UPI applicants to submit Applications using the UPI Mechanism. The mobile applications which may be used by UPI applicants to submit Applications using the UPI Mechanism as provided under ‘Annexure A’ for the SEBI number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Net Issue	The Net Issue (excluding Market maker portion) of 32,64,000 Equity Shares of ₹10/- each at price of ₹ 32/- per Equity Shares aggregating to ₹ 1,044.48 Lakhs
Net Proceeds	The Gross Proceeds from the Issue less the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” beginning on page 69 of this Draft Prospectus
Non – Institutional Investor (NIIs)	All Investors including FPIs that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for a cumulative amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)

<b>Term</b>	<b>Description</b>
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge	Emerge Platform of National Stock Exchange of India Limited
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. (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 the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.)
Person / Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 containing, inter alia, the Issue opening and closing dates and other information
Public Issue Account	The 'no-lien' and 'non-interest bearing' account to be opened, in accordance with Section 40(3) of the Companies Act, with the Public Issue Bank to receive monies from the ASBA Accounts on the Designated Date
Public Issue Bank	The banks which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Issue Account for collection of Application Amounts from ASBA Accounts will be opened, in this case being [●]
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI
Registrar Agreement	The agreement dated March 23, 2024 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited.
Retail Individual Investors / RIIs	Individual Applicants or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000 in this Issue
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non - Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Investors can revise their application during the Issue Period or withdraw their applications until Issue Closing Date

Term	Description
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, in relation to ASBA where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and in relation to UPI applicants using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time. In accordance with 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, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) And ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public Issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of UPI applicants as per the UPI Mechanism, in this case being [●].
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application
Underwriters	The Underwriters in this case are Shreni Shares Limited ( <i>Formerly known as Shreni Shares Private Limited</i> )
Underwriting Agreement	The Agreement among the Underwriters and our Company dated March 23, 2024.
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India
UPI Applicants	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion, and (ii) Non-Institutional Investors with an application size of up to ₹ 5.00 lakhs on in the Non-Institutional Portion, and applying under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. 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 application amount is up to ₹ 5.00 lakhs million using UPI Mechanism, shall provide their UPI ID in the 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	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no.

Term	Description
	SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the UPI applicant by way of a notification on the UPI application and by way of a SMS directing the UPI applicant to such UPI application) to the UPI applicant initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. In accordance with 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, Retail Individual Investors, Using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time
UPI mechanism	The Application mechanism that may be used by an UPI applicant to make an application in the Issue in accordance the UPI Circulars to make an ASBA Applicant in the Issue
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price; and (ii) Issue Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Issue 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, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars

## INDUSTRY/BUSINESS RELATED TERMS

Term	Description
HFIs	High-Frequency Indicators
GII	Global Innovation Index
GST	Goods and Services Tax
MoSPI	Ministry of Statistics & Programme Implementation
FPI	Foreign Portfolio Investment
CPI	Consumer Price Index
AAY	Antodaya Ann Yojna
PMGKAY	Pradhan Mantri Garib Kalyan Ann Yojana
SEBI	Securities and Exchange Board of India
AIFs	Alternative Investment Funds
WEO	World Economic Outlook
GDP	Gross Domestic Product
FDI	Foreign Direct Investment
CGSS	Credit Guarantee Scheme for Start-ups
CAZRI	Central Arid Zone Research Institute
ICAR	Indian Council of Agricultural Research
NABARD	National Bank for Agriculture and Rural Development
FICCI	Federation of Indian Chambers of Commerce and Industry

<b>Term</b>	<b>Description</b>
DPP	Defense Procurement Procedure
ESDM	Electronics System Design and Manufacturing
ACC	advanced chemical cell
MITRA	The Mega Investment Textiles
CAGR	Compound Annual Growth Rate
GDP	Gross Domestic Product
CDER	Center for Drug Evaluation and Research
CBER	Center for Biologics Evaluation and Research
AIDS	Acquired Immune Deficiency Syndrome
FICCI	Federation of Indian Chambers of Commerce And Industry
EPL	Emcure Pharmaceuticals
PRIP	Promotion of Research and Innovation in Pharma
FCM	Ferric carboxymaltose
AFDIL	Anglo French Drugs & Industries Limited
GMP	Good Manufacturing Practices
FDI	Foreign Direct Investment
WHO	World Health Organization
USFDA	United States Food and Drug Administration
VMCH	Vinyl Monomer Coating and Heat Sealable Coated
IIL	Indian Immunologicals Ltd
DCGI	Drug Controller General of India
LDL	low-density lipoprotein
ISP	Indian Society of Periodontology
IOT	Internet of Things
FDA	Food and Drug Administration

#### CONVENTIONAL TERMS / ABBREVIATIONS

<b>Term</b>	<b>Description</b>
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Banking Regulation Act	Banking Regulation Act, 1949
BN	Billion
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFPI	Consumer Food Price Index
CFO	Chief Financial Officer
CGST Act	Central Goods and Services Tax Act, 2017

<b>Term</b>	<b>Description</b>
CIBIL	Credit Information Bureau (India) Limited
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant's beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date
CSR	Corporate Social Responsibility
CST	Central Sales Tax
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CPI	Consumer Price Index
CY	Calendar Year
Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, CDSL and NSDL
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant's identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM/ EoGM	Extra-ordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
EPFO	Employees' Provident Fund Organization
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FTP	Foreign Trade Policy
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI / Government	Government of India
GST	Goods & Services Tax
HNIIs	High Net worth Individuals
HUF	Hindu Undivided Family

<b>Term</b>	<b>Description</b>
I.T. Act	Income Tax Act, 1961, as amended from time to time
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IGST Act	Integrated Goods and Services Tax Act, 2017
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
IPO	Initial Public Offer
IRDAI Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2016
ISO	International Organization for Standardization
IST	Indian Standard Time
KM / Km / km	Kilo Meter
KMP	Key Managerial Personnel
KPI	Key Performance Indicators
Ltd	Limited
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NECS	National Electronic Clearing Service
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
PMI	Purchasing Managers' Index
PPP	Purchasing power parity
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time



<b>Term</b>	<b>Description</b>
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI MB Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SGST Act	State Goods and Services Tax Act, 2017
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UGST Act	Union Territory Goods and Services Tax Act, 2017
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account.
US/ United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VAT	Value Added Tax
VC	Venture Capital
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India
WIP	Work in process
Wilful Defaulter(s) or Fraudulent Borrower	Wilful defaulter or Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
WHO	World Health Organization
WEO	World Economic Outlook
YoY	Year on Year

## PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

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

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus. In this Draft Prospectus, our Company has presented numerical information in "lakhs" units. One lakh represents 1,00,000.

### FINANCIAL DATA

Unless stated otherwise, the financial statements in this Draft Prospectus are derived from our Restated Financial Statements. The Restated Financial Statements is for the period ended December 31, 2023, June 26, 2023 and for the financial years ended on March 31, 2023, 2022 and 2021 has been prepared in accordance with Indian GAAP and the Companies Act, and has been restated in accordance with the SEBI ICDR Regulations. For further information, see please refer section titled "*Restated Financial Statements*" beginning on page 163 of this Draft Prospectus.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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 stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Prospectus are to a calendar year.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, to what extent, the Restated Financial Statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 23, 111 and 167 respectively, of this Draft Prospectus, and elsewhere in this Draft Prospectus have been calculated on the basis of the "*Restated Financial statements*" of our Company as beginning on page 163 of this Draft Prospectus.

### CURRENCY AND UNITS OF PRESENTATION

All references to "Rupees", "Rs." Or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US\$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency.

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten Lakhs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

This Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **DEFINITIONS**

For definitions, please refer the chapter titled “*Definitions and Abbreviations*” beginning on page 1 of this Draft Prospectus. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 229 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## **INDUSTRY AND MARKET DATA**

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

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

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Fluctuations in Stock prices of Aluminum;
- Our ability to attract and retain personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks;
- Changes in consumer demand;

- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*” and chapter titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 23, 111 and 167 of this Draft Prospectus, respectively.

By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance.

Neither our Company, our Directors, our Promoters, the Lead Manager 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 will ensure that investors in India are informed of material developments from the date of this Draft Prospectus until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II – SUMMARY OF OFFER DOCUMENT

The following is a general summary of certain disclosures included in this Draft Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Prospectus or Prospectus, when filed, 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, including “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Restated Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Outstanding Litigation and Material Developments”, “Issue Procedure” and “Main Provisions of The Articles Of Association” on pages 23, 47, 59, 69, 88, 111, 157, 163, 167, 179, 207 and 230 respectively.

### SUMMARY OF OUR BUSINESS

Our Company, GSM Foils Limited is engaged in the business of manufacturing Blister Foils and Aluminium Pharma Foils (also known as “Strip Foils”) which is used in packaging of pharmaceutical medicines which includes capsules and tablets both. This is a primary packaging material which comes in direct contact with the medicine, hence, utmost care is taken with regards to its quality. Over the past few years, we have acquired definite know how in different types of foils used in pharmaceuticals companies. We offer Aluminium foils in different sizes, shapes and thickness to meet diverse needs of our clients. The range of our products includes plain and printed aluminium foils and strip foils along with alu alu base foils and it ranges from 0.020/ 0.025/ 0.030/ 0.040 micron for coated /ply laminated/ blister/ strip printed foils.

For more details, please refer chapter titled “Our Business” beginning on page 111 of this Draft Prospectus.

### SUMMARY OF OUR INDUSTRY

The global packaging industry is developing and expanding day by day and Indian packaging industry is also growing rapidly. This growth is primarily driven by factors like growing pharmaceutical, manufacturing industry, healthcare sector and ancillary in the emerging economies.

India's pharmaceutical industry leads globally, renowned for affordable generic drugs and vaccines. With a 9.43% CAGR over nine years, it ranks third in production volume. Diverse segments include generics, OTC meds, bulk drugs, vaccines, biosimilars, and biologics. Notably, India houses the most USFDA-compliant manufacturing facilities and 500 API producers, capturing 8% of the global API market. This industry's growth reflects its adaptability and quality standards, ensuring accessible healthcare solutions worldwide.

For more details, please refer chapter titled “Industry Overview” beginning on page 88 of this Draft Prospectus.

### OUR PROMOTERS

The promoters of our company are Mr. Sagar Girish Bhanushali and Mr. Mohansingh L Parmar.

### SIZE OF ISSUE

<b>Present Issue of Equity Shares by our Company</b>	34,40,000 Equity shares of ₹10/- each for cash at a price of ₹ 32/- per Equity shares aggregating to ₹ 1,100.80 Lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	1,76,000 Equity shares of ₹10/- each for cash at a price of ₹ 32/- per Equity shares aggregating to ₹ 56.32 Lakhs
<b>Net Issue</b>	32,64,000 Equity shares of ₹10/- each for cash at a price of ₹ 32/- per Equity shares aggregating to ₹ 1,044.48 Lakhs

For further details, please refer to chapter titled “Terms of the Issue” beginning on page 198 of this Draft Prospectus.

### OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (“Objects of the Issue”):

(₹ in Lakhs)

Sr No	Particulars	Amount
1.	Purchase of Plant and Machinery for Existing Manufacturing facility	110.14
2.	Funding Working Capital Requirements of our Company	705.66

Sr No	Particulars	Amount
3.	General corporate purposes <sup>#</sup>	[●]
	<b>Total</b>	[●]

*#The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.*

For further details, please refer to chapter titled “Objects of the Issue” beginning on page 69 of this Draft Prospectus.

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

Set forth is the Pre-Issue shareholding of our Promoters, Promoter Group as a percentage of the paid-up share capital of the Company:

Category of Promoter	Pre-Issue	
	No. of Shares	% of Pre-Issue Capital
<b>Promoters</b>		
Mr. Sagar Girish Bhanushali	44,67,681	47.67 %
Mr. Mohansingh L Parmar	49,02,588	52.31 %
<b>Promoter Group</b>		
Mr. Hitesh Singh Parmar	230	Negligible
Mr. Girish Shankarlal Bhanushali	230	Negligible
Ms. Krishna Balubhai Rangani	230	Negligible
<b>Total</b>	<b>93,70,959</b>	<b>99.99 %</b>

### **SUMMARY OF RESTATED FINANCIAL STATEMENTS**

The details are as follows:

*(₹ in lakhs other than share data)*

Particulars	For the Period ended		For the year ended March 31		
	December 31, 2023	June 26, 2023	2023	2022	2021
Partner's Capital/ Share Capital	2.20	929.75	835.73	659.06	657.82
Net worth <sup>#</sup>	126.99	929.75	835.73	659.06	657.82
Total Revenue <sup>\$</sup>	2717.87	1091.66	6588.69	7185.04	3646.23
Profit after Tax	124.79	49.93	142.97	63.65	33.93
Earnings per share (Basic & diluted) (₹) (Post Bonus) <sup>@</sup>	24.66	9.87	28.25	12.58	6.71
Net Asset Value per Equity Share (₹) (Post Bonus) <sup>*</sup>	25.10	183.74	165.16	130.25	130.00
Total borrowings <sup>^</sup>	1412.95	210.45	242.43	219.20	-

*#Net Worth = Restated Equity Share Capital plus Reserves and Surplus*

*\$Total Revenue = Restated Revenue from operations plus Restated Other Income*

*@ Earnings per share (Basic & diluted) = Restated profit for the period divided by Restated weighted average number of Equity Shares outstanding during the period*

*\*Net Asset Value per Equity Share = Restated Net worth divided by Restated weighted average number of Equity Shares outstanding during the period*

*^Total Borrowings = Restated Long-Term Borrowings Plus Restated Short-Term Borrowings*

#### **Notes:**

*Our Board of Directors pursuant to a resolution dated February 20, 2024 and Shareholders pursuant to a special resolution dated February 28, 2024 have approved the issuance of bonus Equity Shares in the ratio of Twenty-two Equity Shares for every one existing fully paid-up Equity Share.*

### **QUALIFICATIONS OF AUDITORS**

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company, Directors, Promoters, Subsidiaries and Group Companies is provided below:

(₹ in Lakhs)

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 (Rs in Lakhs)
<b>Company</b>						
By the Company	NA	NA	NA	NA	NA	NA
Against the Company	NA	NA	NA	NA	NA	NA
<b>Directors</b>						
By our Directors	NA	NA	NA	NA	NA	NA
Against the Directors	NA	NA	NA	NA	NA	NA
<b>Promoters*</b>						
By Promoters	NA	NA	NA	NA	NA	NA
Against Promoters	NA	1*	NA	NA	NA	0.32
<b>Subsidiaries</b>						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA
<b>Group Companies</b>						
By Group Companies	NA	NA	NA	NA	NA	NA
Against Group Companies	NA	NA	NA	NA	NA	NA

\*matter is against Sole Proprietorship firm of our promoters.

### Brief details of top 5 Criminal Case against our Promoters:

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
1.	NA	NA	NA	NA

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 179 of this Draft Prospectus.

## RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 23 of this Draft Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As per Restated Financial Statements, no contingent liability exists for the period ended December 31, 2023, June 26, 2023 and for the financial years ended on March 31, 2023, 2022 and 2021.



For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 163 of this Draft Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

### ANNEXURE – J(i): Restated Standalone Statement of Related Party Disclosures

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

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

Particulars	Name of Related Parties
a) Key Management Personnel's	Sagar Bhanushali Mohan Singh Parmar
b) Relative of KMP	Krishna Rangani
Note 1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.	

#### ANNEXURE - J(ii) - Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As at December 31, 2023	As at June 26, 2023	As at March 31		
				2023	2022	2021
<b>1. Directors/Partners Remuneration</b>	Sagar Bhanushali	4.50	1.50	8.50	11.00	-
	Mohan Singh Parmar	4.50	1.50	8.50	11.00	-
	<b>Total</b>	<b>9.00</b>	<b>3.00</b>	<b>17.00</b>	<b>22.00</b>	-
<b>2. Interest to Partners</b>	Sagar Bhanushali	-	-	-	-	12.00
	<b>Total</b>	-	-	-	-	<b>12.00</b>
<b>3. Salary</b>	Krishna Rangani	-	0.31	3.48	2.95	2.74
<b>4. Unsecured Loan</b>	<b>Mohansingh L Parmar</b>					
	Opening Balance	-		-	-	
	Add: Loan Received During the Year	600.10				
	Less: Loan Repaid During the year	94.06				
	Closing Balance	<b>506.04</b>			-	-
	<b>Sagar Bhanushali</b>					
	Opening Balance	-		-	-	-
	Add: Loan Received During the Year	465.57				
	Less: Loan Repaid During the year	7.60				

Nature of Transactions	Name of Related Parties	As at December 31, 2023	As at June 26, 2023	As at March 31		
				2023	2022	2021
	Closing Balance	457.97		-	-	-
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.						

**ANNEXURE - J(iii) - Outstanding Balance as at the end of the year**

(Rs. In Lakhs)

	Particulars	31.12.2023	26.06.2023	31.03.2023	31.03.2022	31.03.2021
1. Payable	Sagar Bhanushali	457.97	455.22	433.64	307.55	140.00
	Mohansingh L Parmar	506.04	482.88	497.30	393.95	271.39
<b>Total</b>		<b>964.01</b>	<b>938.10</b>	<b>930.95</b>	<b>701.49</b>	<b>411.39</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.						

For details, please refer to Section titled “Restated Financial Statements” beginning on page 163 of this Draft Prospectus.

**FINANCING ARRANGEMENTS**

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Prospectus.

**WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS**

Sr. No.	Name of the Promoter	Number of Equity Shares acquired in the one year preceding the date of the Draft Prospectus	Weighted Average cost of Acquisition (in ₹) *
1.	Mr. Sagar Girish Bhanushali	4,467,681	10.28
2.	Mr. Mohansingh L Parmar	4,902,648	10.33

The weighted average cost of acquisition of Equity Shares by our Promoters have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them divided by number of shares acquired in last one (1) year.

\*As certified by AMB Jain & Co., Chartered Accountants through their certificate dated March 18, 2024.

**AVERAGE COST OF ACQUISITION OF PROMOTERS**

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoter	No of Equity Shares held	Average cost of Acquisition (in ₹) *
1.	Mr. Sagar Girish Bhanushali	4,467,681	10.28
2.	Mr. Mohansingh L Parmar	4,902,588	10.33

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

\* As certified by AMB Jain & Co., Chartered Accountants through their certificate dated March 18, 2024.

**DETAILS OF PRE-IPO PLACEMENT**

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

**ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR**

Except as disclosed below, we have not issued any Equity Shares for consideration other than cash within last one year from the date of this Draft Prospectus:

<b>Date of Allotment</b>	<b>No. of Equity Shares</b>	<b>Face Value (₹)</b>	<b>Issue Price (₹)</b>	<b>Reasons of Allotment</b>	<b>Benefits accrued to company</b>	<b>Allottees</b>	<b>No. of Shares Allotted</b>
February 20, 2024	3,85,463	10/-	250/-	Conversion of Loan into Equity	Loan Converted	Mr. Sagar Girish Bhanushali	1,83,247
						Mr. Mohansingh L Parmar	2,02,216
March 01, 2024	89,64,186	10/-	Nil	Bonus Issue	Capitalization of Reserves	Mr. Sagar Girish Bhanushali	42,73,434
						Mr. Mohansingh L Parmar	46,89,432
						Ms. Yasoda Kanwar Bhagrot	220
						Mr. Hitesh Singh Parmar	220
						Mr. Girish Shankar Bhanushali	220
						Ms. Krishna Balubhai Rangani	220
						Mr. Vijay Shankarlal Bhanushali	220
Mr. Prakash Kumansingh Rajput	220						

**SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Prospectus.

**EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

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

### SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. Investors should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Investors should consult their tax, financial and legal advisors about particular consequences to them of an investment in the Issue. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, such financial impact cannot be disclosed in such risk factors. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.*

*This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. See chapter titled “Forward Looking Statements” beginning on page 15 of this Draft Prospectus.*

*To obtain a better understanding of our business, you should read this chapter in conjunction with other chapters of this Draft Prospectus, including the chapters titled “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Restated Financial Statements” on page 88, 167, 88, and 163 respectively of this Draft Prospectus, together with all other Restated Financial Statements contained in this Draft Prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus.*

*Unless otherwise stated, the financial data in this chapter is derived from our Restated Financial Statements for the period ended December 31, 2023 and June 26, 2023 and for the financial years ended March 31, 2023, 2022 and 2021 as included in “Restated Financial Statements” beginning on page 163 of this Draft Prospectus.*

#### **MATERIALITY**

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

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

#### **BUSINESS RELATED RISKS**

1. ***We have certain outstanding litigation against us, an adverse outcome of which may adversely affect our business, reputation and results of operations.***

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

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

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Lakhs)</b>
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	--	--

### Cases against our Director and / or Promoters

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	1	0.32
Other Litigation	--	--

### Cases against our Group Companies and / or Subsidiaries

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	--	--

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

We cannot assure you that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of certain material legal proceedings involving our Company, our Promoter, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 179 of this Draft Prospectus.

**2. Any disruptions to the supply, or increases in the pricing, of the raw materials, may adversely affect the supply and pricing of our products and, in turn, adversely affect our Business, Cash Flows, Financial Condition and Results of Operations.**

We depend on third-party suppliers for certain of our raw materials. The key raw materials that we use for our manufacturing operations include Aluminium Sheets and variables including chemicals for our formulations, key starting materials and intermediaries for our internally manufactured Blister Foils and Aluminium Pharma Foils. We have no control on the prices of our basic raw material. In the recent past, there have been wide fluctuations in the stock market prices of aluminium metal prices in both the domestic and international markets. Any such fluctuations in prices of aluminium may adversely affect our business operations and financial performance. Aluminium foil (Aluminium Sheets) is the major raw material for our packaging products. Hence our profitability will also be affected to the extent we are unable to pass on any increase in the cost of aluminium to our customers. The prices of these raw materials fluctuate due to availability and demand. Such fluctuations in prices of raw material and our inability to negotiate at optimum market rates may affect our profitability. We may be unable to control the factors affecting the price at which we procure our raw material. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations.

Any delays or disruptions in the manufacturing capabilities of such third-party suppliers, which could impede their ability to fulfil our orders and meet our requirements, may result in our inability to deliver certain products, increased costs, delayed payments for our products and damage to our reputation leading to an adverse effect on our cash flows and results of operations. Additionally, we may be subject to certain risks, such as our inability to continuously monitor the quality, safety and manufacturing processes at the manufacturing facilities of such third-party suppliers. Further, the raw materials and finished products we source from such third-party suppliers are subject to supply disruptions and price volatility caused by various factors outside our control, including commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand and changes in government policies, rules and regulations. In the event of an

increase in the price of raw materials, our product costs will also correspondingly increase, and we cannot assure you that we will be able to increase the price of our products to offset such costs. Further, if overall demand for such raw materials exceeds supply, our suppliers may prioritize the orders of other customers and choose to supply the raw materials we require to our competitors over us. As a result, we cannot assure you that we will be able to continue to obtain adequate supplies of our raw materials and finished products that meet our quality standards, at a commercially viable price, in a timely manner or at all.

**3. *Any slowdown or shutdown of our Manufacturing operations at our Manufacturing Facilities could have an adverse effect on our Business, Financial Condition and Results of Operations.***

We have one manufacturing facility situated at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East, Thane - 401208 Maharashtra, India. Our business is dependent upon our ability to manage our manufacturing facility, including productivity of our workforce, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, our equipment, our reactors, our automation systems, obsolescence or any other part of our manufacturing processes or systems (together, our “**Manufacturing Assets**”) may entail significant repair and maintenance costs and cause delays in our operations. However, we cannot assure you that we shall not experience any malfunction or breakdown of our Manufacturing Assets in the future. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. Further, there can be no assurance that in future, if we suffer accidents or if we are subject to shutdowns due to malfunctions, that we would be able to recover insurance costs covering all losses. Any uninsured losses in the future would adversely impact our results of operations and profitability. Additionally, any regulatory notices received indicating shortfall in quality or inadequacies of quality control measures or in our products could require us to make unplanned shutdowns to our manufacturing facilities in the future, resulting in losses and operational difficulties. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

Success of our operations depend on availability of labour and good relationships with our labour force. As of the date of this Draft Prospectus, our employees are not members of any organised labour unions. Strikes and lockouts as a result of disputes with our labour force may adversely affect our operations. While we have not had instance of strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Further, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facility to cease, or limit, production until the disputes concerning such approvals are resolved.

Although we have not experienced any significant disruptions at our manufacturing facility in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, financial condition and results of operations.

**4. *Our existing manufacturing facility is concentrated in a single region i.e., Mumbai, Maharashtra and any inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.***

Our manufacturing unit is located at Mumbai, Maharashtra which exposes us to the risks of concentration. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Although in the past we have not experienced instances of operating risks, however our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company’s operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

Further, any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state government or state or local governments in this region could adversely affect our manufacturing operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facility could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects. Further, continuous addition of industries in and around our manufacturing facility without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business.

5. ***We generate our major portion of sales from our operations in certain geographical regions especially, Gujarat, Dadra & Nagar Haveli and Maharashtra. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

For the Period ended December 31, 2023, and June 26, 2023, for the financial year ended March 31, 2021, 2022 and 2023 our revenue from our customers situated in Gujarat contributed 8.70 %, 12.55 %, 16.96 %, 19.69 % and 4.93 % respectively of our total revenue, our customers situated in Dadra & Nagar Haveli contributed 9.29 %, 8.73 %, 13.05 %, 8.68 % and 2.86 % respectively of our total revenue and our customers situated in Maharashtra contributed 77.78 %, 75.41 %, 66.41%, 66.79 % and 87.87 % of our total revenue as per our Audited Financial Statements. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in such regions to expand our operations in other parts of India, should we decide to further expand our operations. Factors such as competition, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we plan to enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside such markets may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance.

6. ***Our Company is reliant on the demand from the pharmaceutical industry for a significant portion of our revenue. Any downturn in the pharmaceutical industry or an inability to increase or effectively manage our sales could have an adverse impact on our Company's business and results of operations.***

Our Company is engaged in the business of manufacturing finished goods which are used in the pharmaceutical industry and therefore, our revenues are highly dependent on our customers from the pharmaceutical industry and the loss of any of our customers from the said industry which we cater to may adversely affect our sales and consequently on our business and results of operations. Further, in the event, there takes place a shift of practice of developing our products in-house in the pharmaceutical industries, it may have an adverse impact on the demand for our products. Similarly, in the event of any new breakthrough in the development of a novel product or raw material by our competitors or customers, our products may become obsolete or be substituted by such alternatives; thereby impacting our revenues and profitability adversely. It may also happen that our competitors are able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer their similar or high-quality products at lower price our Company may be unable to adequately react to such developments which may affect our revenues and profitability.

7. ***We do not have long-term agreements with suppliers for our raw materials and any shortfall in the availability or quality of such raw materials could have an adverse effect on our business, financial condition and results of operations.***

Our business is significantly affected by the availability and cost of the raw materials with which we need to develop our products. Our principal raw materials include Aluminium Sheets. We usually do not enter into long-term supply contracts with any of our raw material suppliers. Our raw materials are majorly procured in the domestic market from Dadra & Nagar Haveli, Gujarat, Maharashtra, Rajasthan and Uttar Pradesh and the prices and supply of these raw materials depend on factors beyond our control, including general economic conditions, competition, transportation costs and Capital Market Fluctuations both domestic and international. If, for any reason, our suppliers of raw materials and components should curtail or discontinue their delivery of such materials to us in the quantities we need or at prices that are competitive or expected by us, our ability to meet the requirements of our customers could be impaired and our earnings and business could suffer. Further, we may not be able to pass on any increase in the cost of manufacturing our products to our customers,

which may adversely affect our results of operations. For the Period ended December 31, 2023 and June 26, 2023 and for the financial year March 31, 2023, 2022 and 2021, our cost of material consumed was ₹2,549.68 Lakhs, ₹894.77 Lakhs, ₹5,960.20 Lakhs and ₹6,933.83 Lakhs and ₹3,413.78 Lakhs respectively, which represented 93.81 %, 81.96 %, 90.47 %, 96.50 % and 93.62 %, respectively of our revenue from operations. If we are unable to source raw materials from key suppliers in a timely manner, our production processes and results of operations may be adversely impacted. There can be no assurance that we would be able to source required quantities or qualities of raw materials in a cost-effective manner in future periods. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers, which may reduce our profit margins.

We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect our business, financial condition and results of operations. Purchases made from our top 10 suppliers For the Period ended December 31, 2023 and June 26, 2023 and for the financial year ended March 31, 2023, 2022 and 2021, were ₹ 2309.96 Lakhs, ₹ 815.24 Lakhs, ₹ 5054.65 Lakhs, ₹ 6226.35 Lakhs and ₹ 3426.64 Lakhs representing 86.27 %, 90.31 %, 85.12 %, 89.41 % and 95.60 % of our total raw material purchases for the period of December 31, 2023, June 26 2023 and for the financial year ended March 31, 2023, 2022 and 2021, respectively.

**8. *We depend on the success of our relationships with our customers. We derive a significant part of our revenue from our top 10 customers and we do not have long term contracts with these customers. If such customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.***

Of our revenue from operations For the Period ended December 31, 2023, June 26, 2023 and for the financial year ended March 31, 2023, 2022 and 2021, our top 10 customers were ₹ 1302.75 Lakhs, ₹ 560.98 Lakhs, ₹ 2863.41 Lakhs, ₹ 3678.87 Lakhs and ₹ 2294.76 Lakhs representing 47.93 %, 51.39 %, 43.46 %, 51.20 % and 62.94 % of our total revenue from operations for the period of December 31, 2023, June 26 2023 and for the financial year ended March 31, 2023, 2022 and 2021, respectively.

Given the nature of our business, there can be no assurance that we would be able to attract new customers or reduce our dependence on any of our top customers. We expect that we will continue to be reliant on our major customers for the foreseeable future. Accordingly, any failure to retain these customers or to remain suppliers to these customers and/or negotiate and execute contracts on terms that are commercially viable, with these select customers, could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or the insolvency or financial distress by a major customer may have an adverse effect on business, financial condition and results of operations.

Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our expectant and existing inventory levels at our unit, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

Additionally, our customers have high and stringent standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation or non-renewal of contracts or purchase orders. There are also several factors, other than our performance that could cause the loss of a customer, which include those customers who may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, financial condition, results of operations and prospects.

**9. *The industry in which we operate is labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Aluminium industry being labour intensive is dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in



such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

**10. The restated financial statements have been provided by peer reviewed chartered accountants who is not statutory auditor of our Company.**

The Restated Financial Information of our Company as disclosed in section titled “Restated Financial statements” beginning on Page no.188 of this Draft Prospectus for the period ended December 31, 2023 and June 26, 2023 and for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021 are provided by Peer Reviewed Chartered Accountants i.e., M/s A Y & Company, Chartered Accountants, Chartered Accountants (having Peer Review Registration No. 013225) who is not the Statutory Auditor of our Company.

**11. Our expansion into new product categories and business verticals and a substantial increase in the number of products offered may expose us to new challenges and more risks.**

Introduction of new product categories require us to understand or make informed judgements as to consumer demands. We may misjudge consumer demands and preferences for new products on our platforms and face challenges in inspecting and controlling quality, third party manufacturers, regulatory requirements, handling, storage and delivery of such new products.

We may also make substantial investments in launching such new products on our platform Expansion of our offerings or business verticals may also strain our management and operational resources. It may also be difficult for us to achieve profitability with new products and as a result, our profit margins may be lower than we anticipate, which would adversely affect our results of operations. We cannot assure you that we will be able to recover our investments in introducing any new products or that any such new products will be successful by any measure.

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

Our business demands working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

The details of our Company’s working capital are derived from Restated Financial Statements are provided in the table below:

(₹. In Lakhs)

Sr. No.	Particulars	For the Period ended December 31, 2023	For the Period ended June 26, 2023	Actual	Actual	Actual
				Fiscal 2023	Fiscal 2022	Fiscal 2021
<b>I</b>	<b>Current Assets</b>					
	Inventories	1,102.90	564.12	551.48	527.85	270.71
	Trade receivables	700.59	677.04	681.64	399.98	308.52
	Short Term Loans and Advances	203.81	51.48	53.39	16.77	6.62
	Other Current Assets	46.61	0.03	0.77	20.44	12.48
	<b>Total (A)</b>	<b>2,053.91</b>	<b>1,292.68</b>	<b>1,287.28</b>	<b>965.04</b>	<b>598.34</b>
<b>II</b>	<b>Current Liabilities</b>					
	Trade payables	540.68	251.85	249.09	128.09	22.92
	Other Current Liabilities	64.92	14.17	23.97	11.81	22.93
	Short Term Provisions	62.62	20.26	86.70	32.50	16.54
	<b>Total (B)</b>	<b>668.23</b>	<b>286.28</b>	<b>359.75</b>	<b>172.39</b>	<b>62.39</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>1,385.69</b>	<b>1,006.40</b>	<b>927.52</b>	<b>792.65</b>	<b>535.95</b>

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of our current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “*Objects of the Issue*” beginning on page 69 of this Draft Prospectus.

**13. *We are highly dependent on our Promoters, Key Managerial Personnel and our Senior Management Personnel for our business. The loss of or our inability to attract or retain such persons could have a material adverse effect on our business performance.***

Our business and the implementation of our strategy is dependent upon our Key Managerial Personnel and our Senior Management Personnel, who oversee our day-to-day operations, strategy and growth of our business. If one or more members of our Key Managerial Personnel and our Senior Management Personnel are unable or unwilling to continue in their present positions, such persons could be difficult to replace in a timely and cost-effective manner. There can be no assurance that we will be able to retain these personnel. The loss of our Key Managerial Personnel or members of our Senior Management or our inability to replace such Key Managerial Personnel or members of our Senior Management may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

During Fiscals 2021, 2022 and 2023, we have experienced certain changes to our Key Managerial Personnel and our Senior Management Personnel. For further details, see “*Our Management - Changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years*” beginning on page 143 of this Draft Prospectus.

We cannot assure you that we will not lose our Key Managerial Personnel or member of Senior Management in the future, or we will be able to replace any Key Managerial Personnel or member of Senior Management in a timely manner or at all, which could have a material adverse impact on our business, results of operations, financial position and cash flows.

**14. *Pressure from Customers with regards to pricing may affect our Gross Margins, Profitability and ability to Increase our Prices.***

Our customers negotiate for larger discounts in price of our products as the volume of their orders increase. Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our Business, Results of Operations and Financial Condition.

In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Accordingly, suppliers must be able to reduce their operating costs in order to maintain Profitability. Such price reductions may affect our Sales and Profit Margins. If we are unable to offset Customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our Business, Results of Operations and Financial Condition may be materially adversely affected.

Additionally, our Business is engaged in bulk manufacturing of products, with high-cost capital expenditure involved in the Business. Therefore, our Profitability is dependent, on our ability to recover the fixed costs over higher sales volume. If we are unable to generate sufficient production cost savings in the future to offset price reductions or if there is any reduction in demand for our products, which will result in decreased sales, our Gross Margin and Profitability may be materially adversely affected.

**15. *Our ability to anticipate changes in Customer Preferences, and Industry trends to meet customers' demands and any variations in the Government Regulations/policies or Technology Upgradation is a significant factor to remain competitive, any failure to identify and understand the trends may materially adversely affect our Business.***

Changes in Customer Preferences, Regulatory or Industry requirements, variation in any of the Government policies or Competitive Technologies may render certain of our products obsolete or less attractive. Since our Business is Customer centric, our ability to anticipate changes in Technology and Regulatory standards and to successfully introduce new and enhanced products on a timely basis is a significant factor to remain competitive. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our Business and our Results of Operations may be adversely affected. We are also subject to the risks generally associated with new products and applications, including lack of market acceptance and failure of products to operate properly. Customer preferences in the markets we operate are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. To compete effectively in the industry, we must be able

to produce new products to meet our customers' demands in a timely manner. Our failure to successfully produce new products could materially and adversely affect our Results of Operations.

**16. Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

As per our Restated Financial Statements, our cash flows from operating, investing and financing activities are as set out below:

(₹ in Lakhs)

Particulars	For the period ended		For the Financial Year ended on		
	December 31, 2023	June 26, 2023	2023	2022	2021
Net Cash Generated/(Used) from Operating Activities	(231.37)	(13.30)	60.36	(157.72)	(98.19)
Net Cash Generated/(Used) from Investing Activities	(16.36)	(7.51)	(71.54)	(7.39)	3.46
Net Cash Generated/(Used) from Financing Activities	260.23	0.48	19.17	128.83	104.04

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources.

If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For details, please see chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 167 of this Draft Prospectus.

**17. Our failure to maintain optimum inventory levels could adversely affect our business, financial condition, results of operation and cash flow.**

While we manufacture a significant portion of our products for sale based on confirmed orders under direct contractual arrangements, we determine the quantities manufactured for sales pursuant to management estimates based on historical levels of sales, actual sale orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay.

Our future earnings through the sale of our products may not be realized as forecasted, due to cancellations or modifications of firm orders or our failure to accurately prepare demand forecasts. If we are unable to appropriately estimate the demand for our products for any reason, it could result in excess inventory levels or the unavailability of our products during increased demand, resulting in loss in potential sales.

Our ability to accurately forecast customer demand for our products is affected by various factors, including:

- a substantial increase or decrease in the demand for our products or for similar offerings of our competitors;
- changes in customer requirements;
- aggressive pricing strategies employed by our competitors;
- failure to accurately forecast or changes in customer acceptance of our products;
- limited historical demand and sales data for our products in newer markets;
- fluctuations in foreign currencies; and
- weakening of general economic conditions or customer confidence that could reduce the sale of our products.

Inventory levels that exceed customer demand may result in inventory write-downs or write-offs or we may be required to sell our excess inventory at discounted prices, which will adversely affect our gross margins and negatively impact our reputation and brand exclusivity. On the other hand, if we face demand in excess of our production, we may not be able to adequately respond to the demand for our products. This could result in delays in delivery of our products to our customers and we may suffer damage to our reputation and customer relationships. In addition, our customers may be driven to purchase products offered by our competitors, thereby affecting our market share. There can be no assurance that we will be able to manage our inventories at optimum levels to successfully respond to customer demand.

**18. Our Registered Office is not owned by us. In the event we lose such rights, our business, financial condition and results of operations and cash flows could be adversely affected.**

Our Registered office situated at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East, Thane - 401208, Maharashtra, India is not owned by us and is taken on Leave & License basis for a period of 55 months commencing from November 01, 2023 and expiring on May 31, 2028. Further, we cannot assure you that we will be able to continue the above arrangement on commercially acceptable / favourable terms in future. For further details, see section

“Our Business” beginning on page 111 of this Draft Prospectus. If we are required to vacate the current premises’, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition

- 19. *We are subject to various laws and extensive government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required in the ordinary course of our business, including environmental, health and safety laws and other regulations, our business financial condition, results of operations and cash flows may be adversely affected.***

We are required to comply with Indian laws, among other things, relating to occupational health and safety (including laws regulating the generation, storage, handling, use and transportation of waste materials, and the health and safety of employees) and mandatory certification requirements for our facilities and products. For regulations and policies applicable to our Company, see “*Key Industry Regulations and Policies*” beginning on page 132 of this Draft Prospectus. There can be no assurance that we will be in compliance at all times with such laws, regulations and the terms and conditions of any such consents or permits. If we violate or fail to comply adequately with these requirements, we could be fined or otherwise sanctioned by the relevant regulators.

Our business and operations are subject to a number of approvals, licenses, registrations and permissions for construction and operation of our manufacturing facility in addition to extensive government regulations for the protection of the environment and occupational health and safety. We have either made or are in the process of making an application or renewal for obtaining necessary approvals that are not in place or have expired. Further, we may also need to apply for additional approvals including the renewal of approvals which may expire from time to time, in the ordinary course of business. We cannot assure you that these approvals will be granted by the relevant authorities. In the event these approvals are not granted, we will have to make alternate manufacturing arrangements including increasing production in our other existing manufacturing facility, which may adversely impact our business, financial condition, results of operations, cash flows and prospects. For further details of pending renewals and pending material approvals, see “*Government and Other Statutory Approvals*” on page 184 of this Draft Prospectus. If we fail to retain, renew or receive any of such approvals, licenses, registrations, permissions or renewals, in a timely manner or at all, our business, financial condition, results of operations, cash flows and prospects may be adversely affected.

Further, our government approvals and licenses are subject to certain conditions, some of which are onerous and require us to make substantial compliance-related expenditure. If we fail to comply or a regulator claim that we have not complied with such conditions, our business, prospects, financial condition, results of operations and cash flows may be adversely affected.

There can be no assurance that other environmental and safety allegations will not be made against us in the future. The relevant regulator may order closure of our unit where it is found to be non-compliant with the applicable norm. In some instances, such a fine or sanction could adversely affect our business, reputation, financial condition, results of operations or cash flows. In addition, these requirements may become more stringent over time and there can be no assurance that we will not incur significant environmental costs or liabilities in the future.

In addition, we may be subject to additional laws, regulations and rules with respect to environment protection, health and safety in the jurisdiction we currently operate. Our inability to control the costs involved in complying with these and other relevant laws and regulations could have an adverse effect on our business, financial condition, results of operations and cash flows.

- 20. *We have been recently converted as a Company and any non-compliance with the provisions of Companies Act, 2013 and any provisions, rules and regulation under any other Act may attract penalties against our Company which could impact our financial and operational performance and reputation.***

Our Company has been recently converted on June 27, 2023, pursuant to conversion of Limited Liability partnership firm into company. The provisions of the Companies Act were not applicable to us earlier. However, consequent to the aforesaid conversion, our Company is subject to compliance of various provisions of the Companies Act such as filing of relevant RoC forms. Further since our company got recently converted from Limited Liability partnership, the loans from NBFC’s and Banks are yet to transfer on name of Company. In addition to that our Company has filed the Statutory Returns such as GST, TDS, ESI and PF with respective department on name of erstwhile Limited Liability partnership till the receipt of registrations on the name of newly formed company from such statutory departments. Further we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or need to update pursuant to change in name and conversion of company from LLP to public Company.

Further, in the past we had been operating our factory without obtaining the registration under Factory License. Although we have not been issued with any notice in this respect nor have, we been subjected to any penalty till date, and that as a corrective measure, we have also obtained the Factory license, we are not sure that any penalty will be levied on us or any action may be taken against us or at all.

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

- 21. We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for 41.78 % of the Plant and machineries at our existing manufacturing facility for our proposed object, as specified in the Objects of the Issue chapter. Any delay in placing orders or procurement of such plant and machineries may delay the schedule of implementation and may also lead to increase in price of these plant & machineries, further affecting our revenue and profitability.**

We propose to utilize ₹ 110.14 Lakhs of our Net Proceeds towards purchase of Plant and machineries. For further information, see “Objects of the Issue” on page 69 of this Draft Prospectus. Orders worth ₹ 51.13 Lakhs, which constitutes 41.78 % of Plant and Machineries in relation to the purchase of machineries required for capacity expansion are yet to be placed. It is clarified that the Company proposes to utilise ₹ 110.14 Lakhs from the Net proceeds. GST and additional costs including, installation and commissioning costs, transportation costs, insurance, customs, duties and other government levies, as applicable will be paid by the Company out of internal accruals. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Issue and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Delay in procurement of the same can cause time and cost overrun in the implementation of our proposed expansion and can also compel us to buy such machineries at a higher price, thus causing the budgeted cost to vary. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

- 22. Our Company has entered into related party transactions in the past and may continue to enter into related party transactions in the future, which may potentially involve conflicts of interest with the equity shareholders.**

Our Company has entered into certain related party transactions with our Promoters, Directors in the past which are in compliance with applicable provisions of Companies Act, 2013 and all other applicable laws. While our Company believes that all such transactions have been conducted on the arm’s length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future and such transactions may potentially involve conflicts of interest. In terms of the Companies Act, 2013 and SEBI LODR Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board and Shareholders for certain related party transactions and our Board and Audit Committee undertakes that such related party transactions shall not be done against the interests of the Company and its shareholders as prescribed in the SEBI LODR Regulations. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The below mentioned are the Related Party Transactions during the period for the period ended December 31, 2023 and June 26, 2023 and for financial year ended March 31, 2023, 2022 and 2021.

(₹. In Lakhs Except Percentage Data)

Year	Mr. Sagar Girish Bhanushali	Mr. MohanSingh Parmar	Krishna Rangani	Total RPT	Total Revenue of Ops	% Share
31-Dec-23	462.47*	510.54*	0	973.01	2717.87	35.80%
26-Jun-23	1.5	1.5	0.31	3.31	1091.66	0.30%
31-Mar-23	8.5	8.5	3.48	20.48	6588.35	0.31%
31-Mar-22	11	11	2.95	24.95	7185.04	0.35%
31-Mar-21	12	0	2.74	14.74	3646.23	0.40%

\*Includes Current Capital converted into unsecured loan pursuant to conversion of LLP into Company.

- 23. Improper storage, processing and handling of our raw materials, work products and finished products could damage our inventories and, as a result, have an adverse effect on our business, results of operations and cash flows.**

We typically store our raw materials, work-in-progress, stock in trade and finished goods in covered warehouses. In the event that our raw materials, work products and finished products are improperly stored, processed and handled, the quality of our raw materials could be reduced and our work products could be damaged. As a result, our production outputs could be adversely affected, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**24. *Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our sales, profitability, cash flow and liquidity.***

Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected customer demand/ Potential orders, it could cause either a shortage of products or an accumulation of excess inventory. During the period ended December 31, 2023, and June 26, 2023 and the FY 2022-23, 2021-22 and 2020-21 our inventories were ₹ 1,102.90 lakhs, ₹ 564.12 lakhs, ₹ 551.48 lakhs, ₹ 527.85 lakhs and ₹ 270.71 lakhs respectively. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. During the period ended December 31, 2023, and June 26, 2023 and the FY 2022-23, 2021-22 and 2020-21 our trade receivables were ₹ 700.59 lakhs, ₹ 677.04 lakhs, ₹ 681.64 lakhs, ₹ 399.98 lakhs and ₹ 308.52 lakhs respectively. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations. Such situation may require an additional and, consequently, higher finance cost which will adversely impact our profitability.

**25. *Failure or disruption of our information technology systems may adversely affect our business, financial condition, results of operations, cash flows and prospects.***

We have implemented various information technology solutions to cover key areas of our operations including sourcing, planning, manufacturing, supply chain, accounting and data security. However, these systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. A large-scale information technology malfunction could disrupt our business or lead to disclosure of, and unauthorized access to, sensitive Company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various information technology systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). Such malfunction or disruptions could interrupt our business operations and result in economic losses. Any failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

There is no assurance that we will not experience disruption in our information technology systems in the future and we will be able to remedy such disruption in timely manner, or at all. Any such disruption of our information technology systems could have a material adverse effect on our business, results of operation and financial condition.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our information technology systems may lead to inefficiency or disruption of our information technology systems, thereby adversely affecting our ability to operate efficiently.

Any failure in overhauling or updating our information technology systems in a timely manner could cause our operations to be vulnerable to external attacks and inefficient. Hence, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to conduct our normal business operations, which may materially adversely affect our business, financial condition, results of operations, cash flows and prospects. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete.

Further, we are dependent on various external vendors for certain elements of our operations and are exposed to the contractual risks and operational risks of these external vendors. Their failure to perform their contractual obligations could materially and adversely affect our business, results of operations and cash flows.

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

Our Promoter cum Chairman and Whole Time Director, Mr. Sagar Girish Bhanushali and Promoter cum Managing Director, Mr. Mohansingh L Parmar have extended personal guarantee towards credit facilities taken by our Company. Any default or failure by us to repay the loans in a timely manner, or at all could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters/Directors of our Company, thereby having an effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details, please refer the chapter titled “*Financial Indebtedness*” beginning on page 166 of this Draft Prospectus.

**27. *We face significant competitive pressures from other players in our business as the industry segments in which we operate being fragmented, our inability to compete effectively would be detrimental to our business and prospects for future growth.***


The market for Blister Foil & Aluminium Strip manufacturers is highly competitive, and we expect competition to intensify and increase from a number of sources. We compete in pharmaceutical industry on the basis of the range of our products, quality of our products, price, securing government tenders and distribution network. The industry and markets for our products are characterized by factors such as technological change, the development of new end products, evolving industry standards and significant price erosion over the life of a product. Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials, brand recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian Aluminium industry as compared with us. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance.


Due to the fragmented nature of the Aluminum industry and price advantage that the unbranded players generally enjoy, there can be no assurance that we will maintain our competitiveness in this industry with respect to any of our products. new competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

While we work consistently to offset pricing pressures, produce new products, advance our technological capability, improve our services or enhance our production efficiency to reduce costs, such efforts may not be successful. Also, as we plan to expand our offerings to launch new products, we may face strong competition from other players in the same markets. Many of our existing and potential competitors may seek to equal or exceed us in terms of their financial, production, sales, marketing and other resources. If we fail to compete effectively in the future, our business and prospects could be materially and adversely affected.

**28. *Our Company has availed unsecured loans from non-banking financial companies(“NBFC”) and Banks, and our directors, which may be recalled on demand.***

For the period ended December 31, 2023, June 26, 2023 and for Fiscals 2023 and 2022, we have outstanding unsecured loan amounting to ₹ 925.36 Lakhs, ₹ 74.44 Lakhs, ₹ 101.56 Lakhs and ₹ 109.14 Lakhs respectively as unsecured loans from non-banking financial companies, banks and our directors, which are repayable on demand to the relevant lenders. These loans may not be repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. In such cases, we may be required to repay the entirety of the unsecured loans together with accrued interest. We may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, results of operation financial condition and cash flow. For further details of our unsecured loans, please refer the chapter titled “*Financial Indebtedness*” beginning on page 166 of this Draft Prospectus.

29. ***Our Company logo “” is not registered with Registrar of Trademark; any infringement of our brand name or failure to get it registered may adversely affect our business. Further, any kind of negative publicity or misuse of our brand name could hamper our brand building efforts and our future growth strategy could be adversely affected.***

Our Company has not made any application for registration with the Registrar of Trademark for registration of logo “”. If we are unable to register the intellectual property in the future in our name or any objection on the same may require us to change our logo and hence may loose on the goodwill created so far. Further, the same may involve costly litigations and penal provisions if some legal consequences arise if someone from outside use our name and logo of the Company. We believe that our future growth and competitiveness would depend on our ability to establish and strengthen our brand. We cannot guarantee that we will be able to make a lasting brand image with our clients and other people in the absence of a logo. Although, we believe that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations.

30. ***We are dependent on third party transportation providers for the delivery of our raw material and products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for them, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.***

We use third party transportation providers for the delivery of our raw material and products. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, India’s physical infrastructure is less developed than that of many developed nations, and problems with its road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India’s physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

31. ***We have significant power and fuel requirements and any disruption to power sources could increase our production costs and adversely affect our results of operations and cash flows.***

We require substantial amount of power and fuel for our manufacturing facilities which represent a portion of the production costs of our operations. For the period ended December 31, 2023, June 26, 2023 and for the Fiscals 2023, 2022 and 2021, our power and fuel expenses were ₹ 37.54 Lakhs, ₹ 22.13 Lakhs, ₹ 99.48 Lakhs, ₹ 109.86 Lakhs, and ₹ 76.60 Lakhs, constituting 1.47 %, 2.47 %, 1.67 %, 1.58 %, and 2.24 %, respectively, of our total Cost of Material Consumed. If power and fuel costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline. Power and fuel prices can be affected by numerous factors beyond our control, including global and regional supply and demand, carbon taxes, inflation, political and economic conditions, and applicable regulatory regime.

We source most of our electricity requirements for our manufacturing facilities from state electricity boards. If our electricity suppliers increase the price for electricity, our cost of production and profitability would be materially adversely affected. Further, natural disasters or adverse conditions may occur in the geographical areas in which we operate including severe weather, tropical storms, floods, excessive rainfalls as well as other events beyond our control. If for any reason electricity is not available, we may need to shut down our plant until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

32. ***We regularly work with activities in our operation which can be dangerous and could cause injuries to people or property.***

Our business requires individuals to work under dangerous circumstances. For example, moving machineries can seriously hurt employees or other persons, and cause damage to our properties and the properties of others. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including explosions, fires,



mechanical failures and other operational problems, discharges or releases of hazardous substances, chemicals or gases and other environmental risks.

These hazards can cause personal injury and loss of life or destruction of property and equipment as well as environmental damage. In addition, the loss or shutting down of our facilities resulting from any accident in our operations could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We could also face claims and litigation filed on behalf of persons alleging injury predominantly due to occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, financial condition, results of operations and cash flows could be adversely affected.

**33. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.***

As on date of this Draft Prospectus, we have not made any alternate arrangements for meeting our capital requirements for some of the objects of the issue. We meet our capital requirements through, owned funds, debt and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the net issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 69 of this Draft Prospectus.

**34. *If we fail to keep our technical knowledge and process know-how confidential, we may suffer a loss of our competitive advantage.***

We possess extensive technical knowledge about our products and such technical knowledge has been developed through our own experiences. Our technical knowledge is an independent asset of ours, which may not be adequately protected by intellectual property rights such as patent registration or design registration. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked (either inadvertently or willfully), at various stages of the manufacturing process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements in respect of research and development, we cannot guarantee that we will be able to successfully enforce such agreements. We also enter into non-disclosure agreements with some of our customers and suppliers but we cannot assure you that such agreements will be successful in protecting our technical knowledge. The potential damage from such disclosure is increased as many of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the pharmaceutical manufacturing sector could be compromised. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

**35. *Within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 69 of this Draft Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue which shall be as per the applicable laws. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use the Net Proceeds for the purposes described in the section titled “*Objects of the Issue*” on page 69 of this Draft Prospectus. The Objects of the Issue comprise of purchase of machineries, funding incremental working capital requirements and general corporate purposes. We intend to deploy the Net Proceeds in financial year 2024-25 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Net Proceeds, please refer chapter titled “*Objects of the Issue*” beginning on page 69 of this Draft Prospectus.

Since, the proceeds from Issue are less than ₹ 10,000 lakh, there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, as per the Section 177 of the

Companies Act, 2013 and applicable laws, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “*Objects of the Issue*” beginning on page 69 of this Draft Prospectus, the Management will have flexibility in applying the proceeds received by our Company from the Issue which shall be subject to the applicable laws. Our Board of Directors will monitor the proceeds of this Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However, in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI ICDR Regulations, 2018, a company shall not vary the objects of the Issue without our Company being authorized to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**36. *Our insurance coverage may not adequately protect us against all material hazards.***

Our operations are subject to various risks and hazards inherent in the manufacturing business, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud and infrastructure failure, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We have obtained insurance policies in relation to plant and machinery, burglary, stocks and finished goods. There are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. For details, see “*Our Business – Insurance*” on page 111 of this Draft Prospectus.

Our policies are subject to standard limitations that apply to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, insurance policies. We cannot assure you that the operation of our business will not be affected by any of the risks and hazards listed above. In addition, our insurance may not provide adequate coverage in certain circumstances including losses arising due to third-party claims that are either not covered by insurance or the values of which exceed insurance limits, economic or consequential damages that are outside the scope of insurance coverage and claims that are excluded from coverage. If our arrangements for insurance are not adequate to cover claims, we may be required to make substantial payments and our results of operations, financial condition and cash flows may therefore be adversely affected.

We may not have identified every risk, and further may not be insured against every risk, including operational risks that may occur, and the occurrence of an event that causes losses more than the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate. Any of the above could materially harm our financial condition and future results of operations and cash flows. There can be no assurance that any claims filed will be honored fully or in a timely fashion under our insurance policies. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

**37. *Information relating to historical installed capacity of our manufacturing facility included in this Draft Prospectus is based on various assumptions and estimates and our future production and capacity utilization may vary. Under-utilization of our manufacturing capacity and an inability to effectively utilize our manufacturing facilities may have an adverse effect on our business and future financial performance.***

Information relating to our historical installed capacity of our manufacturing facilities included in this Draft Prospectus is based on various assumptions and estimates of our management and independent chartered engineer, namely, Lalit M Sarvaiya, Chartered Engineer, including proposed operations, assumptions relating to availability and quality of raw materials, potential utilization levels and operational efficiencies. For further information regarding our manufacturing facility, including our historical installed capacity, see “*Our Business – Capacity and Capacity Utilization*” on pages 111 of this Draft Prospectus. Actual and future manufacturing volumes and capacity utilization rates may differ significantly from the estimated production capacities of our manufacturing facility. Undue reliance should therefore not be placed on the information relating to our installed capacities or historical capacity utilization of our manufacturing facility included in this Draft Prospectus.

Further, there is no guarantee that our future production or capacity utilization levels will match or exceed our historical levels. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term could increase our cost of production and our operating costs and adversely impact our business, growth prospects and future financial performance. Our expected return on capital invested is subject to, among other factors, the ability to ensure satisfactory performance of personnel to further grow our business, our ability to absorb additional infrastructure

costs and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilize our capacity efficiently.

- 38. *We have a substantial amount of outstanding indebtedness, which requires significant cash flows to service and subject to certain covenants that limit our flexibility in operating our business. If we are not in compliance with certain of these covenants and are unable to obtain waivers from the respective lenders, our lenders may accelerate the repayment schedules, and enforce their respective security interests, leading to a material adverse effect on our business and financial condition.***

As at December 31, 2023, our total borrowings, were ₹ 1412.95 Lakhs. A portion of these borrowings is secured by personal guarantees given by our Promoters and Directors and immovable property of our Promoters and Directors. Our existing financing arrangements contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to, without prior consents from the lenders, engage in acts that may be in our long-term best interest, including restrictions on our ability to, among other matters, make loans and investments, change our capital structure, undertake merger or amalgamation, change our ownership and composition of our board of directors, issue further Equity Shares, make certain payments (including payment of dividends, redemption of shares and prepayment of indebtedness), alter the business we conduct, carry out modifications, amendments or alterations to the constitutional documents of the Company, enter into borrowing arrangements with any other bank, financial institution, company or otherwise, create any charges, lien or encumbrances over our assets or undertaking or any part thereof in favour of any third party, or sell, assign, mortgage or dispose off any fixed assets charged to a lender or wind-up, liquidate or dissolve affairs or take steps for voluntary winding up or liquidation or dissolution.

If we are not in compliance with certain of these covenants and are unable to obtain waivers from the respective lenders or if any events of default occur, our lenders may accelerate the repayment schedules or terminate our credit facilities.

Further, certain of our subsisting loans may be recalled at any time at the option of the lender. There can be no assurance that the lenders will not recall such borrowings or if we will be able to repay loans advanced to us in a timely manner or at all. Subsequently, if we are unable to pay our debt, affected lenders could also proceed against any collateral granted to them to secure such indebtedness. Further, such covenant defaults could result in cross-defaults in our other debt financing agreements. In the event our lenders accelerate the repayment of our borrowings, there can be no assurance that we will have sufficient assets to repay our indebtedness.

If our future cash flows from operations and other capital resources become insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms. Further, we have applied for no objection certificate from our secured creditor for this issue, which we are yet to receive.

- 39. *If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks. Despite our internal control systems, we may be exposed to operational risks, including fraud, petty theft and embezzlement, which may adversely affect our reputation, business, financial condition, results of operations and cash flows.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions.

Notwithstanding that the auditors' report issued on the internal financial controls over financial reporting of our Company for the period ended December 31, 2023, June 26, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 did not contain a qualified opinion or disclaimer of opinion, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, each of which may have an adverse effect on our business, financial condition, results of operations and cash flows.

Further, given the high volume of transactions we process on a daily basis, notwithstanding the internal controls that we have in place, we may be exposed to the risk of fraud or other misconduct by employees, contractors, or customers. Fraud and other misconduct can be difficult to detect and deter. Certain instances of fraud and misconduct may go unnoticed or may only be discovered and successfully rectified after substantial delays. Even when we discover such instances of fraud or theft and pursue them to the full extent of the law or with our insurance carriers, there can be no assurance that we will recover any of the amounts involved in these cases. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect, which may adversely affect our reputation, business, financial condition, results of operations and cash flows.

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

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

**41. *Our Promoters and Promoter Group will continue to retain a majority shareholding in our Company after the Issue, which will allow them to exercise significant influence over us.***

After the completion of the Issue, our Promoters and Promoter Group is expected to hold 73.14 % of our outstanding Equity Shares. Further, the involvement of our Promoters in our operations, including through strategy, direction and customer relationships have been integral to our development and business and the loss of any of our Promoters may have a material adverse effect on our business and prospects.

Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and Promoter Group. Further, the Promoters' shareholding may limit the ability of a third party to acquire control. The interests of our Promoters and Promoter Group, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or your favour.

**42. *We have a very limited operating history of our manufacturing operations, which may make it difficult for investors to evaluate our historical performance or future prospects.***

Our Company was originally formed and registered as a Limited Liability Partnership in the name and style of "GSM Foils LLP" on April 05, 2019. Later, "GSM Foils LLP" was converted from a Limited Liability Partnership to a Private Limited Company under Companies Act, 2013 with the name of "GSM Foils Private Limited" and received a fresh certificate of incorporation from the Registrar of Companies, Central Registration Centre on June 27, 2023 and thereafter the Private Limited Company was converted into Public Limited Company "GSM Foils Limited" pursuant to the fresh a certificate of incorporation dated September 04, 2023 issued by Registrar of Companies, Mumbai. Our manufacturing operations started in 2019, thus we have very limited operating history from which one can evaluate our business, future prospects and viability. Our future revenues and profitability are also difficult to estimate and could fluctuate significantly and as a result the price of our equity shares may be volatile. For further details relating to the history of our Company, see the section titled "*Our History and Certain Corporate Matters*" and "*Financial Information of the Company*" at page 140 and 163 respectively of this Draft Prospectus.

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

Our present Promoters are first generation entrepreneur. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their knowledge and experience and we cannot assure that this will not affect our business growth. Although our Promoters & Director, Mr. Sagar Girish Bhanushali and Mr. Mohansingh L Parmar have experience of around 4 years. For further details of our director, please refer chapter titled "*Our Management*" beginning on Page 143 of Draft Prospectus.

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

Some of our directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our directors would always exercise their rights as shareholders to the benefit and best interest of our Company. For further information, see the chapters titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on page 143 and 157 respectively of this Draft Prospectus and the section titled “*Financial Information*” beginning on page 163 of this Draft Prospectus.

**45. *Industry information included in this Draft Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Prospectus.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” beginning on page 162 of this Draft Prospectus.

**47. *The determination of the Issue Price is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchange.***

The determination of the Price is based on various factors and assumptions, and will be determined by our Company in consultation with the Lead Manager. These will be based on numerous factors, including those described under “*Basis for Issue Price*” on page 77 of this Draft Prospectus, and may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchange. The price of our Equity Shares upon listing on the Stock Exchange will be determined by the market and may be influenced by many factors outside of our control.

**48. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue price determined in consultation with Lead Manager in accordance with the SEBI ICDR Regulations.***

Our Promoters’ average cost of acquisition of Equity Shares in our Company may be lower than the Price as may be decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title “*Capital Structure*” beginning on page 59 of this Draft Prospectus.

**49. *Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors assessments of Our Company’s financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Our restated financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data

included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, refer chapter titled “*Presentation of Financial Industry and Market Data*” beginning on Page 13 of this Draft Prospectus.

Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. India has decided to adopt the “Convergence of its existing standards with IFRS” and not the “International Financial Reporting Standards” (“IFRS”), which was announced by the MCA, through the press note dated January 22, 2010. These “IFRS based / synchronized Accounting Standards” are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed Company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards, i.e., IND (AS) and for future periods.

Moreover, if we volunteer for transition to IND (AS) reporting, the same may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of converged Indian Accounting Standards may adversely affect our financial condition.

## **EXTERNAL RISKS**

### ***50. An investment in the Equity Shares is subject to general risk related to investments in Indian Companies.***

Our Company is incorporated in India and all 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.

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

The Issue Price of our Equity Shares has been determined by fixed price method. The price is based on numerous factors (For further information, please refer chapter titled “*Basis for Issue Price*” beginning on page 77 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue.

The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- i. quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- ii. changes in revenue or earnings estimates or publication of research reports by analysts;
- iii. results of operations that vary from those of our competitors;
- iv. speculation in the press or investment community;
- v. new laws and governmental regulations applicable to our industry;
- vi. future sales of the Equity Shares by our shareholders;
- vii. general market conditions; and
- viii. domestic and international economic, legal and regulatory factors unrelated to our performance.

### ***52. We have Issued Equity Shares during the last one year at a price below the Issue Price.***

Our Company had issued equity shares at a price lower than the Issue Price pursuant to conversion of our erstwhile limited liability partnership firm to Company pursuant to the provisions of Chapter XXI of the Companies Act 2013 and allotted Bonus shares of 89,64,186 equity shares on March 01, 2024 in the ratio 22:1 in the last 12 months which may be at lower than the Issue Price. The Equity Shares allotted to shareholders pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For further details, see “Capital Structure” on page 59 of this Draft Prospectus. The prices at which Equity Shares have been issued by us in last one year should not be taken to be indicative of the Issue Price and the trading price of our Equity Shares after listing.

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

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for our Equity Shares will develop or, if developed, does not guarantee the liquidity of such market for the Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a Fixed Price method in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

**54. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the NSE Emerge in a timely manner or at all.***

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

**55. *Any future issuance of Equity Shares may dilute your shareholding and sale of our Equity Shares by our Promoter or other shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

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

**57. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares***

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding Rs.1,00,000, realized on the sale of equity shares held for more than 12 months immediately preceding the date of transfer, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long gains tax in India.

Term capital The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a nondelivered basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

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

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2023 and the Finance Act, 2023 received assent from the President of India on March 31, 2023. There is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or in the industry we operate in.

**58. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**59. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

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

**60. *A slowdown in economic growth in India could cause our business to suffer.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. 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 could adversely affect the Indian economy and our business. Pharmaceutical did very good business during Covid. Our business was not affected during Covid. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.



India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GOI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

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

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

**62. *Our business is affected by global economic conditions, especially in the geographies we cater to, which may have an adverse effect on our business, financial condition, results of operations and prospects.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Financial disruptions may occur again and could harm our business, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, financial condition and results of operations.

In February 2022, hostilities between Russia and the Ukraine commenced, which has led stock, commodities and foreign exchange markets worldwide to fluctuate. In addition, the market price of oil has risen sharply since the commencement of hostilities in the Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, financial condition, results of operations and prospects may be adversely affected.

**63. *Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, 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 business or restrict our ability to grow our business in the future. 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, financial condition, results of operations and prospects.

**64. *Natural calamities, climate change and health epidemics could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.***

Our operations including our manufacturing facilities and research and development activities may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our Senior Management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Any of the above factors may adversely affect our business, financial condition and results of operations.

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

**65. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation is crucial to determine one's purchasing power. In other words, inflation is a measure that causes the prices of both goods and services to rise over time and buyers will feel the pinch as it affects their personal finance, particularly spending and buying habits. Any factor that causes prices of goods and services to rise in the market and create instability in consumption leads to inflation. There are two indices that are used to measure inflation in India — the consumer price index (CPI) and the wholesale price index (WPI). These two-measure inflation on a monthly basis taking into account different approaches to calculate the change in prices of goods and services.

India's retail inflation, which is measured by the consumer price index (CPI), eased to 5.02% in Sep. 2023, from 6.83% in Aug. this year, according to the latest data from the Ministry of Statistics and Programme Implementation. In the last two years, CPI hit the highest of 7.79% in April 2022, and the lowest of 4.06% in Jan. 2021. The wholesale Price Index (WPI), which calculates the overall prices of goods before selling at retail prices, is at (-)0.52% in Aug., (-)1.36% in July 2023, (-)4.12% in June, (-)3.48% in May, and (-)0.92% in April 2023.

India's retail inflation eased to a three-month low of 5.02% in Sep. 2023. The CPI reading continues to cross the Reserve Bank of India's upper tolerance medium-term target of 4% within a band of 4+/- 2%. The RBI projects the headline inflation or the CPI at 5.4% for 2023-24. The real GDP growth is projected at 6.5% with Q1 at 8.0% during the period. Meanwhile, the Sep. 2023 inflation in the U.S. suggests that the consumer price index increased 3.7% year-over-year. The nation's GDP accelerated to 2.1% in the second quarter. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. There can be no assurance that we will be able to pass on any additional expenses to

our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, financial condition and results of operations.

**66. *The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.***

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our chemical products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition and results of operations.

**67. *A third-party could be prevented from acquiring control of us post this issue, because of anti-takeover provisions under Indian Law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI SAST 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 subsequent to completion of the Issue. 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 SEBI SAST Regulations.

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have in the past experienced substantial dislocations, liquidity disruptions and market corrections.

**69. *Non-Institutional Investors are not permitted to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting an application, and Retail Individual Investors are not permitted to withdraw their Applications after Application/Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, Non-Institutional Investors are required to pay the Application Amount on submission of the Application and are not permitted to withdraw or lower their application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting an application. Similarly, Retail Individual Investors can revise or withdraw their applications at any time during the Application/Issue Period and until the Application/Issue Closing Date, but not thereafter. Therefore, Non-Institutional Investors will not be able to withdraw or lower their applications following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations or otherwise at any stage after the submission of their applications.

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>Equity Shares Issued<sup>(1)</sup>: Present Issue of Equity Shares by our Company:<sup>(2)</sup></b>	34,40,000 Equity Shares of face value of ₹ 10/- each fully paid for cash at a price of ₹ 32/- per Equity Share aggregating ₹ 1,100.80 Lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	1,76,000 Equity Shares of face value of ₹ 10/- each fully paid up for cash at a price of ₹ 32/- per Equity Share aggregating ₹ 56.32 Lakhs
<b>Net Issue to Public</b>	<b>Of which<sup>(4)</sup>:</b>
	16,32,000 Equity Shares of having face value of ₹ 10/- each fully paid-up for cash at a price of ₹ 32/- per Equity Share will be available for allocation for Investors of up to ₹ 2.00 Lakhs
	16,32,000 Equity Shares of having face value of ₹ 10/- each fully paid-up for cash at a price of ₹ 32/- per Equity Share will be available for allocation for Investors of above ₹ 2.00 Lakhs
<b>Equity shares outstanding prior to the Issue</b>	9,37,16,490 Equity Shares of face value of ₹ 10/- each fully paid-up
<b>Equity shares outstanding after the Issue</b>	Up to 1,28,11,649 Equity Shares of face value of ₹ 10/- each fully paid-up
<b>Use of Net Proceeds</b>	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 69 of this Draft Prospectus

**Notes:**

- (1) This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please see the chapter titled “Issue Structure” beginning on page 205 of this Draft Prospectus.
- (2) The present Issue has been authorized pursuant to a resolution of our Board dated March 06, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on March 07, 2024.
- (3) Since present issue is a Fixed Price Issue, the allocation in the Net Issue to the public category in terms of Regulation 253 of the SEBI ICDR Regulations shall be made as follows:
  - a) Minimum fifty percent to Retail Individual Investors; and
  - b) Remaining to
    - (i) individual applicants other than Retail Individual Investors; and
    - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

For details, including in relation to grounds for rejection of Applications, refer to “Issue Structure” and “Issue Procedure” beginning on 205 and 207, of this Draft Prospectus respectively. For details of the terms of the Issue, see “Terms of the Issue” beginning on page 198 of this Draft Prospectus.

**SUMMARY OF FINANCIAL INFORMATION**

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

*(₹ in Lakhs)*

Sr. No.	Particulars	Note No.	As at December 31, 2023	As at June 26, 2023	As at 31st March		
					2023	2022	2021
<b>A.</b>	<b>Equity and Liabilities</b>						
<b>1</b>	<b>Shareholders' Funds</b>						
	Partner's Capital/ Share Capital	<b>A.1</b>	2.20	929.75	835.73	659.06	657.82
	Reserves & Surplus	<b>A.2</b>	124.79	-	-	-	-
	<b>Share application money pending allotment</b>		-	-	-	-	-
<b>2</b>	<b>Non-Current Liabilities</b>						
	Long-Term Borrowings	<b>A.3</b>	38.27	87.64	114.17	109.14	-
	Other Non-Current Liabilities						-
	Long-Term Provisions		-	-	-	-	-
	Deferred Tax Liabilities (Net)	<b>A.4</b>	-	0.07	0.28	-	0.37
<b>3</b>	<b>Current Liabilities</b>						
	Short Term Borrowings	<b>A.5</b>	1,374.68	122.81	128.26	110.06	-
	Trade Payables :	<b>A.6</b>					
	(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]	<b>A.6</b>	540.68	251.85	249.09	128.09	22.92
	Other Current Liabilities	<b>A.7</b>	64.92	14.17	23.97	11.81	22.93
	Short Term Provisions	<b>A.8</b>	62.62	20.26	86.70	32.50	16.54
	<b>Total</b>		<b>2,208.17</b>	<b>1,426.55</b>	<b>1,438.18</b>	<b>1,050.65</b>	<b>720.57</b>
<b>B.</b>	<b>Assets</b>						
<b>1</b>	<b>Non-Current Assets</b>						
	Property, Plant and Equipment						
	Tangible Assets	<b>A.9</b>	86.32	95.19	91.81	34.97	42.73
	Intangible Assets		-	-	-	-	-
	Capital Work in progress		-	-	-	-	-
	Intangible Assets Under Development		-	-	-	-	-
	Non-Current Investments		-	-	-	-	-
	Deferred Tax Assets	<b>A.4</b>	0.32	-	-	0.03	-
	Long Term Loans & Advances		-	-	-	-	-
	Other Non-Current Assets	<b>A.10</b>	26.36	9.91	10.00	9.50	2.11
<b>2</b>	<b>Current Assets</b>						
	Current Investments		-	-	-	-	-
	Inventories	<b>A.11</b>	1,102.90	564.12	551.48	527.85	270.71
	Trade Receivables	<b>A.12</b>	700.59	677.04	681.64	399.98	308.52
	Cash and Cash Equivalents	<b>A.13</b>	41.26	28.77	49.10	41.11	77.40
	Short-Term Loans and Advances	<b>A.14</b>	203.81	51.48	53.39	16.77	6.62
	Other Current Assets	<b>A.15</b>	46.61	0.03	0.77	20.44	12.48
	<b>Total</b>		<b>2208.18</b>	<b>1426.55</b>	<b>1438.18</b>	<b>1050.65</b>	<b>720.57</b>

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

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

*(₹ in Lakhs)*

Sr. No	Particulars	Note No.	For the Period ended December 31, 2023	For the Period ended June 26, 2023	For The Year Ended 31st March		
					2023	2022	2021
<b>A.</b>	<b>Revenue:</b>						
	Revenue from Operations	<b>B.1</b>	2717.87	1091.66	6588.35	7185.04	3646.23
	Other income	<b>B.2</b>	0.00	0.00	0.33	0.00	-
	<b>Total Income</b>		<b>2717.87</b>	<b>1091.66</b>	<b>6588.69</b>	<b>7185.04</b>	<b>3646.23</b>
<b>B.</b>	<b>Expenses:</b>						
	Cost of Material Consumed	<b>B.3</b>	2549.68	894.77	5960.20	6933.83	3413.78
	Change in Inventories of WIP, Finished Goods & Stock in Trade	<b>B.4</b>	(410.94)	(4.70)	(45.57)	(227.15)	(55.22)
	Employees Benefit Expenses	<b>B.5</b>	67.03	26.56	118.81	115.91	68.33
	Finance costs	<b>B.6</b>	27.08	11.63	37.76	27.95	12.00
	Depreciation and Amortization	<b>B.7</b>	8.88	4.22	14.53	7.76	9.24
	Other expenses	<b>B.8</b>	309.38	87.81	271.41	230.87	147.27
	<b>Total Expenses</b>		<b>2551.11</b>	<b>1020.28</b>	<b>6357.14</b>	<b>7089.17</b>	<b>3595.40</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>166.76</b>	<b>71.38</b>	<b>231.54</b>	<b>95.87</b>	<b>50.83</b>
	Exceptional Items		-	-	-	-	-
	<b>Profit before extraordinary items and tax</b>		<b>166.76</b>	<b>71.38</b>	<b>231.54</b>	<b>95.87</b>	<b>50.83</b>
	Extraordinary items		-	-	-	-	-
	<b>Profit before tax</b>		<b>166.76</b>	<b>71.38</b>	<b>231.54</b>	<b>95.87</b>	<b>50.83</b>
	<b>Tax expense :</b>						
	Current tax		42.36	21.66	88.27	32.61	16.54
	Deferred Tax	<b>B.9</b>	(0.39)	(0.20)	0.30	(0.39)	0.37
	Profit (Loss) for the period from continuing operations		<b>124.79</b>	<b>49.93</b>	<b>142.97</b>	<b>63.65</b>	<b>33.93</b>
	<b>Earning per equity share in Rs.:</b>						
	(1) Basic		24.66	9.87	28.25	12.58	6.71
	(2) Diluted		24.66	9.87	28.25	12.58	6.71

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

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

*(₹ in Lakhs)*

Particulars	For the Period ended December 31, 2023	For the Period ended June 26, 2023	For The Year Ended 31st March		
			2023	2022	2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit/ (Loss) before tax	<b>166.76</b>	<b>71.38</b>	<b>231.54</b>	<b>95.87</b>	<b>50.83</b>
Adjustments for:					
Depreciation	8.88	4.22	14.53	7.76	9.24
Finance Cost	27.08	11.63	37.76	27.95	12.00
Interest Income	-	-	(0.33)	-	-
<b>Operating profit before working capital changes</b>	<b>202.72</b>	<b>87.22</b>	<b>283.51</b>	<b>131.58</b>	<b>72.07</b>
Movements in working capital:					
(Increase)/Decrease in Inventories	(551.42)	(12.64)	(23.63)	(257.14)	(68.07)
(Increase)/Decrease in Trade Receivables	(18.95)	4.60	(281.66)	(91.46)	(45.77)
(Increase)/Decrease in Short Term Loans & Advances	(150.43)	1.90	(36.62)	(10.14)	(6.62)
(Increase)/Decrease in Other Current Assets	(45.84)	0.74	19.67	(7.96)	9.73
Increase/(Decrease) in Trade Payables	291.60	2.76	121.00	105.17	(82.32)
Increase/(Decrease) in Other Current Liabilities	40.95	(9.80)	12.16	(11.12)	22.80
<b>Cash generated from operations</b>	<b>(231.37)</b>	<b>74.79</b>	<b>94.43</b>	<b>(141.08)</b>	<b>(98.19)</b>
Income tax paid during the year	-	88.09	34.07	16.65	-
<b>Net cash from operating activities (A)</b>	<b>(231.37)</b>	<b>(13.30)</b>	<b>60.36</b>	<b>(157.72)</b>	<b>(98.19)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Interest Income	-	-	0.33	-	-
Purchase of Fixed Assets	-	(7.60)	(71.37)	-	(2.13)
Increase/(Decrease) in Other Non-Current Assets	(16.36)	0.09	(0.50)	(7.39)	5.59
<b>Net cash from investing activities (B)</b>	<b>(16.36)</b>	<b>(7.51)</b>	<b>(71.54)</b>	<b>(7.39)</b>	<b>3.46</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Interest paid on borrowings	(27.08)	(11.63)	(37.76)	(27.95)	(12.00)
Proceeds/(Repayment) of Borrowings	1,170.53	(31.98)	23.23	219.20	-
Proceeds from Issue of Share Capital	2.20	-	-	-	-
Increase/Decrease in Partners Capital	(885.43)	44.08	33.70	(62.42)	116.04
<b>Net cash from financing activities (C)</b>	<b>260.23</b>	<b>0.48</b>	<b>19.17</b>	<b>128.83</b>	<b>104.04</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(7.83)</b>	<b>(20.34)</b>	<b>7.99</b>	<b>(36.28)</b>	<b>9.31</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>49.10</b>	<b>49.10</b>	<b>41.11</b>	<b>77.40</b>	<b>68.09</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>41.27</b>	<b>28.76</b>	<b>49.10</b>	<b>41.11</b>	<b>77.40</b>
<b>Cash &amp; Cash Equivalent Comprises</b>					
Cash in Hand	20.52	16.26	17.51	10.25	8.70
Balance With Bank in Current Accounts	20.75	12.51	31.59	30.86	68.70
Balance with Bank in Deposits Accounts	0.00	0.00	0.00	0.00	0.00

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

## GENERAL INFORMATION

### REGISTERED OFFICE

#### GSM Foils Limited

Gala No 06/106/206/306, Sapphire Building,  
Diamond Industrial Estate, Vasai East, Thane,  
Maharashtra, India, 401208

Tel No.: +91 84689 68102

Email: [investors@gsmfoils.com](mailto:investors@gsmfoils.com)

Website: [www.gsmfoils.com](http://www.gsmfoils.com)

### REGISTRAR OF COMPANIES

#### Registrar of Companies, Mumbai

Ministry of Corporate Affairs,  
5<sup>th</sup> Floor, 100, Everest Building,  
Netaji Subhash Road, Marine Drive  
Mumbai - 400 002, Maharashtra, India

Tel No.: 022 - 2281 2627

Fax.: 022 - 2281 1977

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

Website: [www.mca.gov.in](http://www.mca.gov.in)

### DESIGNATED STOCK EXCHANGE

#### NSE Emerge

#### National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1, G Block

Bandra – Kurla Complex

Bandra (E) Mumbai – 400 051

Maharashtra, India

Tel No.: 022 – 2659 8100/ 8114

Website: [www.nseindia.com](http://www.nseindia.com)

### BOARD OF DIRECTORS

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

Name	Designation	DIN	Residential Address
Mr. Sagar Girish Bhanushali	Chairman & Whole Time Director	09126902	Room No. 1, Floor 1, Jaynarayan Chawl, Aarey Road, Above Ratnamani Jeweller, Goregaon East S. O, Mumbai – 400063, Maharashtra, India.
Mr. Mohansingh L Parmar	Managing Director	08413828	A 901, 902, Laxmi Residency, Behind Vitthal Mandir, Waliv, Vasai East, Vasai, Palghar – 401208, Maharashtra, India.
Mr. Mahesh Virchand Mehta	Non-Executive Independent Director	09325268	Flat No. 2, Sanman CHS Plot – 93, Model Town, Near Gyankendra School, Andheri West, Azad Nagar, Mumbai – 400053, Maharashtra, India.
Mr. Vijay V Pandya	Non-Executive Independent Director	10420959	C-310 Om Shreenath Kunj Co. Op. housing society, Carter Road No. 2, Opp Jagruti Hall, Borivali East S. O., Mumbai – 400066, Maharashtra, India.
Ms. Swati Dhaval Mirani	Non-Executive Independent Director	10449509	Derasar Street, Darbar Gadh, Morvi, Morbi Mdg – 363641, Gujarat, India.

For detailed profile of our Board of Directors, please see chapter titled “*Our Management*” beginning on page 143 of this Draft Prospectus.

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Pratik M Makwana is our Company Secretary and Compliance Officer. His contact details are as follows;



**Mr. Pratik M Makwana**

503, Mukyamantri Avas Yojana, near Iscon Temple,  
Rajkot, Kalavad main road, Haripar Pal, Rajkot – 360005, Gujarat, India  
Tel No.: +91 84689 68102  
Email: [cs@gsmfoils.com](mailto:cs@gsmfoils.com)  
Website: [www.gsmfoils.com](http://www.gsmfoils.com)

**Investor grievances**

Investors may contact the Company Secretary and Compliance Officer, LM or the Registrar to the Issue in case of any pre-issue or post-issue related queries, grievances and for redressal of complaints including non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or nonreceipt of funds by electronic mode, etc.

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

**LEAD MANAGER TO THE ISSUE**

**Shreni Shares Limited**

*(Formerly known as Shreni Shares Private Limited)*  
No. 217, Hive 67 Icon, Poisar Gymkhana Road,  
Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall,  
Kandivali West, Mumbai - 400067, Maharashtra, India.  
Tel No: 022 - 2089 7022  
Email: [shrenishares@gmail.com](mailto:shrenishares@gmail.com)  
Website: [www.shreni.in](http://www.shreni.in)  
Investor Grievance E-mail: [info@shreni.in](mailto:info@shreni.in)  
Contact Person: Ms. Tanya Goyal  
SEBI Registration Number: INM000012759

**REGISTRAR TO THE ISSUE**

**Bigshare Services Private Limited**

Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai 400 093,  
Maharashtra, India.  
Tel No: 022 – 6263 8200  
Email: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
Investor Grievance E-mail: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
Contact Person: Mr. Asif Sayyed  
SEBI Registration Number: INR000001385

**LEGAL ADVISOR TO THE ISSUE**

**M/s. Asha Agarwal & Associates**

118, Shila Vihar, Gokulpura,  
Kalwar Road, Jhotwara,  
Jaipur – 302 012, Rajasthan, India  
Tel: 99509 33137  
E-mail: [ashaagarwalassociates@gmail.com](mailto:ashaagarwalassociates@gmail.com)

**Contact Person:** Ms. Nisha Agarwal

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

[•]

#### **BANKERS TO THE COMPANY**

**Kotak Mahindra Bank Limited**

6/1/25 Ground Floor, Badrinath Evershine,  
Ambadi Road, Vasai West, Mumbai – 400092,  
Maharashtra, India

**Tel No:** 022 2333315

**Email:** Allwyn.Gonsalves@kotak.com

**Website:** www.kotak.com

**Contact Person:** Allwyn Gonsalves

**SEBI Registration Number:** INZ00020338

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#### **STATUTORY AUDITORS OF OUR COMPANY**

**AMB Jain & Co., Chartered Accountants**

101, Subhshri Arcade, Opp Shivaji Chowk,  
Zakaria Road, Malad West, Mumbai – 400064,  
Maharashtra, India

**Tel No.:** +9190292 81052

**Email:** Caankurjain.03@gmail.com

**Contact Person:** Mr. Ankur Jain

**Membership No.:** 167765

**Firm Registration No.:** 0142339W

#### **PEER REVIEW AUDITORS OF OUR COMPANY**

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

505, Fifth Floor, ARG Corporate Park  
Ajmer Road, Gopal Bari, Jaipur – 302006,  
Rajasthan, India

**Tel No.:** 1+91-9649687300

**Email:** info@aycompany.co.in

**Contact Person:** Mr. Arpit Gupta

**Membership No.:** 421544

**Firm Registration No.:** 020829C

**Peer Review Registration No. –** 011177

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

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

Shreni Shares Limited (*Formerly known as Shreni Shares Private Limited*) is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

#### **SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)**

The list of SCSBs notified by SEBI for the ASBA process is available at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Applicant (other than an UPI Applicants using the UPI mechanism), not applying through Syndicate/Sub Syndicate or through a Registered Broker, may submit the ASBA Forms is available at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34) on the SEBI website, and at such other

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

#### **SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS FOR UPI MECHANISM 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 Applicants 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. A list of SCSBs and mobile applications, which are live for applying public issues using UPI mechanism is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43), respectively 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 Applicants (other than Applications by Anchor Investors and RIIs) 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 Application Forms from the Members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

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

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

#### **REGISTERED BROKERS**

Bidders can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centers. 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 Stock Exchanges at <https://www.nseindia.com>, respectively, as updated from time to time.

#### **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS ("RTA")**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### **COLLECTING DEPOSITORY PARTICIPANTS ("CDP")**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx) and [www.nseindia.com/products/content/equities/ipo/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm), or such other websites as updated from time to time.

#### **CREDIT RATING**

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

## **IPO GRADING**

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

## **DEBENTURE TRUSTEES**

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

## **MONITORING AGENCY**

Since our Issue size does not exceed ₹ 10,000 Lakhs, we are not required to appoint monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 262(1) of SEBI ICDR Regulations. Our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## **FILING OF THE DRAFT PROSPECTUS/ PROSPECTUS**

The Draft Prospectus and Prospectus shall be filed on NSE Emerge at Exchange Plaza, Plot no. C/1, G Block Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051, Maharashtra, India.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Prospectus has not been submitted to SEBI, however, soft copy of Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the issue document in term of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be filed to the Registrar of Companies, Mumbai through the electronic portal at <http://www.mca.gov.in>., at least (3) three working days prior from the date of opening of the Issue.

## **APPRAISING ENTITY**

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

## **TYPE OF ISSUE**

The present Issue is considered to be 100% Fixed Price Issue.

## **GREEN SHOE OPTION**

No green shoe option is contemplated under the Issue.

## **EXPERT OPINION**

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

Our Company has received a written consent dated March 22, 2024 from the Peer Reviewed Auditors, namely M/s AY & Company, Chartered Accountants, who hold a valid peer review certificate from ICAI, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus and the Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Peer Reviewed Auditor, and in respect of their (a) examination report dated March 22, 2024 on the Restated Financial Statements, and (b) report dated March 22, 2024 on the statement of special tax benefits..

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## **CHANGES IN AUDITORS**

There has been no change in the Statutory Auditors during the three years immediately preceding the date of this Draft Prospectus.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten by Shreni Shares Limited (*Formerly known as Shreni Shares Private Limited*) in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated March 23, 2024, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Equity Shares Underwritten	Amount Underwritten	% of total Issue size underwritten
<b>Shreni Shares Limited</b> (Formerly known as <i>Shreni Shares Private Limited</i> ) No. 217, Hive 67 Icon, Poisar Gymkhana Road, Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall, Kandivali West, Mumbai - 400067, Maharashtra, India. <b>Tel No:</b> 022 - 2089 7022 <b>Email:</b> <a href="mailto:shrenishares@gmail.com">shrenishares@gmail.com</a> <b>Website:</b> <a href="http://www.shreni.in">www.shreni.in</a> <b>Investor Grievance E-mail:</b> <a href="mailto:info@shreni.in">info@shreni.in</a> <b>Contact Person:</b> Ms. Tanya Goyal <b>SEBI Registration Number:</b> INM000012759	34,40,000	1,100.80	100.00%
<b>Total</b>	34,40,000	1,100.80	<b>100.00%</b>

*\*Includes 1,76,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

In the opinion of the Board of our Directors of our company, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

## MARKET MAKER

### Shreni Shares Limited

(Formerly known as *Shreni Shares Private Limited*)  
No. 217, Hive 67 Icon, Poisar Gymkhana Road,  
Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall,  
Kandivali West, Mumbai - 400067, Maharashtra, India  
**Tel:** 022 - 2089 7022  
**Email:** [shrenisharespvtltd@yahoo.in](mailto:shrenisharespvtltd@yahoo.in)  
**Website:** [www.shreni.in](http://www.shreni.in)  
**Contact Person:** Mr. Hitesh Punjani  
**SEBI Registration No.:** INZ000268538  
**NSE Clearing Number:** 14109

## DETAILS OF THE MARKET MAKING AGREEMENT

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated March 23, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

Shreni Shares Limited, registered with NSE Emerge will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ 32/- per share the minimum lot size is 4,000 Equity Shares thus minimum depth of the quote shall be 4,000 until the same, would be revised by NSE.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
8. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE Emerge from time to time.
9. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
10. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
11. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge Platform and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
12. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
13. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
14. In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further the Company reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.
15. **Risk containment measures and monitoring for Market Maker:** NSE Emerge Platform will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

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

17. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹250 Crores, the applicable price bands for the first day shall be:

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

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

18. The following spread will be applicable on the NSE Emerge:

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

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

Issue Size	Buy quote exemption threshold (Including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (Including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

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

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

## CAPITAL STRUCTURE

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

(₹ in Lakhs except no of shares)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price*
<b>A.</b>	<b>Authorized Share Capital</b>		
	1,80,00,000 Equity Shares of face value of ₹ 10/- each	180.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Equity Capital before the Issue</b>		
	93,71,649 Equity Shares of face value of ₹ 10/- each	937.16	-
<b>C.</b>	<b>Present Issue in Terms of this Draft Prospectus</b>		
	Issue of 34,40,000 Equity Shares of face value of ₹ 10/- each <sup>(1)</sup>	344.00	1,100.80
	<b>Of which:</b>		
	1,76,000 Equity Shares of face value of ₹10/- each at a price of ₹ 32/- per Equity Share reserved as Market Maker Portion	17.60	56.32
	Net Issue to Public of 32,64,000 Equity Shares of ₹10/- each at a price of ₹ 32/- per Equity Share to the Public	326.40	1,044.48
	<b>Of which:</b>		
	Allocation to Retail Individual Investors of 16,32,000 Equity Shares	163.20	522.24
	Allocation to other than Retail Individual Investors of up to 16,32,000 Equity Shares	163.20	522.24
<b>D.</b>	<b>Paid-up Equity Capital after the Issue</b>		
	1,28,11,649 Equity Shares of face value of ₹ 10/- each	128.11	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue*		28.70
	After the Issue <sup>(2)</sup>		[●]

\*As certified by Statutory auditors AMB Jain & Co., Chartered Accountants vide certificate dated March 23, 2024.

(1) The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on March 06, 2024 and by our Shareholders pursuant to a Special Resolution passed at the Extra Ordinary General meeting held on March 07, 2024.

(2) To be finalized upon determination of the Issue Price.

### CLASS OF SHARES

As on the date of Draft Prospectus, our Company has only one class of share capital i.e., Equity Shares of ₹ 10/- each. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### 1. Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

- a) The initial authorized share capital of ₹ 2,20,000/- divided into 22,000 Equity Shares of ₹10/- each.
- b) The Authorized Share Capital was increased from ₹ 2,20,000/- divided into 22,000 Equity Shares of ₹10/- each to ₹ 5,00,000/- divided into 50,000 Equity Shares of ₹ 10/- each vide Shareholders' Resolution dated July 14, 2023.



- c) The Authorized Share Capital was increased from ₹ 5,00,000/- divided into 50,000 Equity Shares of ₹10/- each to ₹ 18,00,00,000/- divided into 1,80,00,000 Equity Shares of ₹ 10/- each vide Shareholders' Resolution dated December 14, 2023.

## 2. Equity Share Capital History of our Company

The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	22,000	10/-	10/-	Cash	Subscription to MOA <sup>(i)</sup>	22,000	2,20,000	Nil
February 20, 2024	3,85,463	10/-	250/-	Other than Cash	Conversion of Loan into Equity** <sup>(ii)</sup>	4,07,463	40,74,630	9,25,11,120
March 01, 2024	89,64,186	10/-	-	Other than Cash	Bonus Issue* <sup>(iii)</sup>	93,71,649	9,37,16,490	9,25,11,120

\*The Bonus Issue has been approved by our shareholders vide Extra - Ordinary General meeting held on February 28, 2024.

\*\* Pursuant to conversion of loan into equity shares, the company has allotted 3,85,463 Equity shares to Promoters which were valued at Rs. 250 per share as of September 30, 2023, as per Share Valuation Report by Priyesh Somaiya, Registered Valuer.

(i) Initial Subscribers to the Memorandum of Association of our company:

Sr No	Name	No of Equity Shares
1.	Mr. Sagar Girish Bhanushali	11,000
2.	Mr. Mohansingh L Parmar	11,000
	<b>Total</b>	<b>22,000</b>

(ii) Allotment of 3,85,463 Equity Shares pursuant to conversion of loan into equity, as under:

Sr. No	Name	No of Equity Shares
1.	Mr. Sagar Girish Bhanushali	1,83,247
2.	Mr. Mohansingh L Parmar	2,02,216
	<b>Total</b>	<b>3,85,463</b>

(iii) Bonus Issue of 89,64,186 Equity Shares of face value of ₹10/- each in the ratio of 22:1 i.e., 22 Bonus Equity Shares for 1 equity share held, as under.:

Sr. No	Name	No of Equity Shares
1.	Mr. Sagar Girish Bhanushali	42,73,434
2.	Mr. Mohansingh L Parmar	46,89,432
3.	Ms. Yasoda Kanwar Bhagrot	220
4.	Mr. Hitesh Singh Parmar	220
5.	Mr. Girish Shankar Bhanushali	220
6.	Ms. Krishna Balubhai Rangani	220
7.	Mr. Vijay Shankarlal Bhanushali	220
8.	Mr. Prakash Kumansingh Rajput	220
	<b>Total</b>	<b>89,64,186</b>

3. Except as disclosed below, we have not issued any Equity Shares for consideration other than cash, at any point of time since Incorporation:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
February 20, 2024	3,85,463	10/-	250/-	Conversion of Loan into Equity	Loan Converted	Mr. Sagar Girish Bhanushali	1,83,247
						Mr. Mohansingh L Parmar	2,02,216
March 01, 2024	89,64,186	10/-	Nil	Bonus Issue	Capitalization of Reserves	Mr. Sagar Girish Bhanushali	42,73,434
						Mr. Mohansingh L Parmar	46,89,432
						Ms. Yasoda Kanwar Bhagrot	220
						Mr. Hitesh Singh Parmar	220
						Mr. Girish Shankar Bhanushali	220
						Ms. Krishna Balubhai Rangani	220
						Mr. Vijay Shankarlal Bhanushali	220
						Mr. Prakash Kumansingh Rajput	220

4. No equity shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and sections 230-234 of the Companies Act, 2013.
5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.
6. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
7. Except as disclosed below, we have not issued any Equity Shares at price below Issue price within last one year from the date of this Draft Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
Upon Incorporation	22,000	10/-	10/-	Cash- against the outstanding Credit Balance of respective Individual Partner's Fixed Capital Account	Conversion of Erstwhile Limited Liability Partnership Firm to Company under Chapter XXI of the Companies Act, 2013	Mr. Sagar Girish Bhanushali	11,000
						Mr. Mohansingh L Parmar	11,000
March 01, 2024	89,64,186	10/-	Nil	Bonus Issue	Capitalization of Reserves	Mr. Sagar Girish Bhanushali	42,73,434
						Mr. Mohansingh L Parmar	46,89,432
						Ms. Yasoda Kanwar Bhagrot	220
						Mr. Hitesh Singh Parmar	220
						Mr. Girish Shankar Bhanushali	220

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
						Ms. Krishna Balubhai Rangani	220
						Mr. Vijay Shankarlal Bhanushali	220
						Mr. Prakash Kumansingh Rajput	220

## 8. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as per Regulation 31 of SEBI LODR Regulations as on the date of this Draft 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 shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No. of Underlying Outstanding convertible securities	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XD) = (VII)+(X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)*
								Class-Equity	No of Voting Rights					No (a)	As a % of total Shares	No (a)	As a % of total Shares	
									Class	Total								
A	Promoter & Promoter Group	5	93,70,959	-	-	93,70,959	99.99%	93,70,959	-	93,70,959	99.99%	-	-	-	-	-	-	4,07,403
B	Public	3	690	-	-	690	0.01%	690	-	690	0.01%	-	-	-	-	-	-	60
C	Non – Promoter Non – Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>93,71,649</b>	<b>-</b>	<b>-</b>	<b>93,71,649</b>	<b>100.00</b>	<b>93,71,649</b>	<b>-</b>	<b>93,71,649</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,07,463</b>

*\*Our Company is in process of dematerialization*

9. 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 Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre- Issue Equity Share Capital (%)
1.	Mr. Sagar Girish Bhanushali	44,67,681	47.67 %
2.	Mr. Mohansingh L Parmar	49,02,588	52.31%
	<b>Total</b>	<b>93,70,269</b>	<b>99.99 %</b>

10. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to this Draft Prospectus:

Not Applicable as the status of our company was “Limited Liability Partnership Firm” two years prior to the date of filing of this Draft Prospectus. Our Company has been converted from Limited Liability Partnership Firm namely M/s. GSM Foils LLP to Company with effect from June 27, 2023.

11. 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 Prospectus:

Not Applicable as the status of our company was “Limited Liability Partnership Firm” two years prior to the date of filing of this Draft Prospectus. Our Company has been converted from Limited Liability Partnership Firm namely M/s. GSM Foils LLP to Company with effect from June 27, 2023

12. 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 Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre- Issue Equity Share Capital (%)
1.	Mr. Sagar Girish Bhanushali	44,67,681	47.67 %
2.	Mr. Mohansingh L Parmar	49,02,588	52.31%
	<b>Total</b>	<b>93,70,269</b>	<b>99.99 %</b>

13. Our Company has not made any public Issue (including any rights issue to the public) since its incorporation.
14. Our Company does not have any intention or proposal to alter our capital structure within a period of six (6) months from the date of opening issue of the by way of split/consolidation of the denomination of Equity Shares or further Issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise., except that if our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

#### 15. Shareholding of our Promoters.

As on the date of this Draft Prospectus, our Promoters hold 99.99% of the pre- Issue, subscribed and paid-up Equity Share capital of our Company.

Build-up of the shareholding of our Promoters in our Company since incorporation:

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital	Pledge
<b>Mr. Sagar Girish Bhanushali</b>									

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital	Pledge
On Incorporation	Subscription to MOA	Cash	11,000	11,000	10/-	10/-	0.12 %	0.09 %	No
February 20, 2024	Conversion of Loan into Equity	Other than Cash	1,83,247	1,94,247	10/-	250/-	1.96 %	1.43 %	No
March 01, 2024	Bonus Issue	Other than Cash	42,73,434	4,467,681	10/-	Nil	45.60 %	33.36 %	No
	<b>Total</b>		<b>4,467,681</b>				<b>47.67%</b>	<b>34.87%</b>	
<b>Mr. Mohansingh L Parmar</b>									
On Incorporation	Subscription to MOA	Cash	11,000	11,000	10/-	10/-	0.12 %	0.09 %	No
July 01, 2023	Transfer To Yashoda Kanwar Bhagrot	Cash	(10)	10,990	10/-	10/-	Negligible	Negligible	No
	Transfer To Hitesh Singh Parmar	Cash	(10)	10,980	10/-	10/-	Negligible	Negligible	No
	Transfer To Girish Shankarlal Bhanushali	Cash	(10)	10,970	10/-	10/-	Negligible	Negligible	No
	Transfer To Krishna Balubhai Rangani	Cash	(10)	10,960	10/-	10/-	Negligible	Negligible	No
	Transfer To Vijay Shankarlal Bhanushali	Cash	(10)	10,950	10/-	10/-	Negligible	Negligible	No
	Transfer To Prakash Khumansingh Rajput	Cash	(10)	10,940	10/-	10/-	Negligible	Negligible	No
February 20, 2024	Conversion of Loan into Equity	Other than Cash	2,02,216	2,13,156	10/-	250/-	2.16%	1.58 %	No
March 01, 2024	Bonus Issue	Other than Cash	46,89,432	49,02,588	10	Nil	50.04%	36.60 %	No
	<b>Total</b>		<b>4,902,588</b>				<b>52.31%</b>	<b>38.27 %</b>	

16. Pre-Issue and Post-Issue Shareholding of our Promoters and Promoter Group.

Category of Promoter	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
<b>Promoters</b>				
Mr. Sagar Girish Bhanushali	44,67,681	47.67 %	44,67,681	34.87 %
Mr. Mohansingh L Parmar	49,02,588	52.31 %	49,02,588	38.27 %
<b>Promoter Group</b>				
Mr. Hitesh Singh Parmar	230	Negligible	230	Negligible
Mr. Girish Shankarlal Bhanushali	230	Negligible	230	Negligible
Ms. Krishna Balubhai Rangani	230	Negligible	230	Negligible
<b>Total</b>	<b>93,70,959</b>	<b>99.99 %</b>	<b>93,70,959</b>	<b>73.14 %</b>

17. Except as mentioned below, there were no equity shares purchased/sold by the Promoter(s) and Promoter Group, Directors of our Company and their relatives during last six months from the date of this Draft Prospectus.

Sr. No.	Name of Shareholder	Date of Transaction	Promoters/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Mr. Sagar Girish Bhanushali	February 20, 2024	Promoter, Chairman and Whole Time Director	1,83,247	-	Loan Conversion into Equity
2.	Mr. Mohansingh L Parmar	February 20, 2024	Promoter and Managing Director	2,02,216	-	
3.	Mr. Sagar Girish Bhanushali	March 01, 2024	Promoter, Chairman and Whole Time Director	42,73,434	-	Bonus Issue in the Ratio of 22:1
4.	Mr. Mohansingh L Parmar	March 01, 2024	Promoter and Managing Director	46,89,432	-	
5.	Mr. Hitesh Singh Parmar	March 01, 2024	Promoter Group	220	-	
6.	Mr. Girish Shankar Bhanushali	March 01, 2024	Promoter Group	220	-	
7.	Ms. Krishna Balubhai Rangani	March 01, 2024	Promoter Group	220	-	

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

Name	Designation	No. of Equity Shares held	% of pre issue paid up capital	% of post issue paid up capital
Mr. Sagar Girish Bhanushali	Chairman and Whole Time Director	44,67,681	47.67 %	34.87 %
Mr. Mohansingh L Parmar	Managing Director	49,02,588	52.31 %	38.27 %

19. None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.

## 20. Promoter Contribution and Lock-in details

### *Details of Promoter's Contribution locked-in for three (3) years*

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment

in this Issue. As on date of this Draft Prospectus, our Promoters holds 93,70,269 Equity Shares constituting 73.14 % of the Post Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

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

Details of the Equity Shares forming part of Promoters Contribution and their lock-in details are as follows:

Name of Promoters	Date of Allotment/Acquisition & when made fully paid up	No of Equity shares Allotted	No of Equity shares locked in	Face Value (in ₹)	Issue Price (in ₹)	Nature of Allotment	% Of Post-Issue Paid-up Capital	Lock-in Period
Mr. Sagar Girish Bhanushali	March 01, 2024	42,73,434	13,00,000	10/-	NA	Bonus Issue	10.15 %	3 years
Mr. Mohansingh L Parmar	March 01, 2024	46,89,432	13,00,000	10/-	NA	Bonus Issue	10.15 %	3 years
Total			<b>26,00,000</b>				20.30	

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter Contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- Equity Shares acquired three years preceding the date of this Draft Prospectus for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoter Contribution.
- The Equity Shares acquired during the year preceding the date of this Draft Prospectus, at a price lower than the price at which the Equity Shares are being issued to the public in this issue is not part of the minimum promoter's contribution.
- The Equity Shares held by the Promoter and issued for minimum 20% Promoter's Contribution are not subject to any pledge or any other form of encumbrances.
- Specific written consent has been obtained from the Promoter for inclusion of 26,00,000 Equity Shares for ensuring lock-in of three years to the extent of minimum 20.00 % of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.
- The minimum Promoter Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI ICDR Regulations.
- We further confirm that our Promoter Contribution of minimum 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India.

#### ***Equity Shares locked-in for one year other than Minimum Promoter Contribution***

Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoter, which will be locked-in as minimum Promoters contribution for three years, all pre-issue 67,71,649 Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

#### ***Inscription or recording of non-transferability***

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

### ***Pledge of Locked in Equity Shares***

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- (a) if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan;
- (b) if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

### ***Transferability of Locked in Equity Shares***

- (a) Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoter, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
  - (b) Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
21. Neither the Company, nor its Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
  22. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful Applicants will be issued fully paid-up Equity Shares.
  23. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates 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.
  24. As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOPs till date. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
  25. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “*Basis of Allotment*” in the chapter titled “*Issue Procedure*” beginning on page 207 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time.
  26. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.



27. Subject to valid applications being received at or above the Issue Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
28. Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.
29. We have 8 (Eight) Shareholders as on the date of filing of the Draft Prospectus.
30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. Our Company has not raised any bridge loans.
32. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
33. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
34. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
35. Our Promoters and Promoter Group will not participate in the Issue.
36. There are no safety net arrangements for this Public Issue.

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

This Issue comprises of Fresh Issue of 34,40,000 Equity Shares by our Company aggregating to ₹ 1,100.80 Lakhs.

#### FRESH ISSUE

##### Requirement of Funds:

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

1. Funding of capital expenditure towards purchase of Plant and Machineries.
2. Funding Working Capital Requirements of our Company.
3. General corporate purposes.

(Collectively, referred to herein as the “*Objects of the Issue*”)

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Issue. In addition, our Company expects to receive the benefits of listing of Equity Shares on the NSE Emerge including enhancing our visibility and our brand image among our existing and potential customers and creating a public market for our Equity Shares in India.

#### ISSUE PROCEEDS

The details of the proceeds from the fresh Issue are provided in the following table:

(₹ in Lakhs)

Particulars	Amount *
Gross Issue Proceeds	1100.80
Less: Expenses in relation to the Issue <sup>(1)</sup>	[●]
<b>Net Issue Proceeds*</b>	[●]

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

*(1) The Issue related expenses shall be determined at the time of filing Prospectus with RoC.*

#### UTILIZATION OF NET PROCEEDS

The Net Proceeds are proposed to be used in accordance with the details provided in the following table: -

(₹ in Lakhs)

Sr. No.	Particulars	Amount*	% of Gross Proceeds*	% of Net Proceeds*
1.	Funding of capital expenditure towards purchase of Plant and Machineries	110.14	10.01 %	[●]
2.	Funding Working Capital Requirements of our Company	705.66	64.10 %	[●]
3.	General Corporate Purpose <sup>#</sup>	[●]	[●]	[●]
<b>Total*</b>		[●]	[●]	[●]

*\*To be updated in the Prospectus prior to filing with RoC.*

*#The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Net Proceeds.*

#### PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

The Net Proceeds of the Issue (“Net Proceeds”) are currently expected to be deployed in accordance with the schedule as stated below:

(₹ in Lakhs)

Sr. No.	Particulars	Amount to be financed from Net Proceeds*	Estimated Utilization of Net Proceeds in F. Y. 2023-24	Estimated Utilization of Net Proceeds in F. Y. 2024-25
1.	Funding of capital expenditure towards purchase of certain Plant and Machineries	110.14	-	110.14
2.	Funding Working Capital Requirements of our Company	705.66	-	705.66
3.	General Corporate Purpose <sup>#</sup>	[●]	-	[●]
<b>Total*</b>		[●]	-	[●]

\*To be updated in the Prospectus prior to filing with RoC.

#The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Net Proceeds.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and circumstances, management estimates, prevailing market conditions and other external commercial and technical factors including interest rates, exchange rate fluctuations and other charges, which are subject to change from time to time. However, such fund requirements and deployment of funds have not been verified or appraised by any bank, financial institution, or any other external agency or party. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and strategy, competition, contractual terms and conditions and negotiation with lenders, variation in cost estimates and other external factors such as changes in the business environment and interest or exchange rate fluctuations, Environmental conditions and relation with foreign countries which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. For details in relation to the discretion available to our management in respect of use of the Net Proceeds. For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the section titled “Risk Factors” on page 23 of this Draft Prospectus.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned Objects during Fiscal 2024-25. In the event that the estimated utilization of the Net Proceeds in scheduled fiscal years is not completely met, due to the reasons stated above, the same shall be utilized in the next fiscal year i.e. in the Fiscal 2025-2026, as may be determined by the Board, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes, to the extent that the total amount to be utilized towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws.

## MEANS OF FINANCE

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

(₹ in Lakhs)

Particulars	Amount*
Net Proceeds	[●]
<b>Total</b>	[●]

\*To be updated in the Prospectus prior to filing with RoC.

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

## DETAILS OF THE OBJECTS

### 1. Funding of capital expenditure towards purchase of Plant and Machineries

We will continue to expand our operational capabilities and capacity to the extent it assists us in improving quality metrics and overall performance and in reducing our cost of production. Our strategy to expand our business requires us to invest in additional Plant and Machineries. We intend to increase our production capacity by way of installation of new plant and machineries at our existing Manufacturing Facility located at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East, Thane 401208, Maharashtra, India. We understand that the said installation shall allow us to

be technologically advanced and meet functional efficiencies and will help in reduction of our cost of production of our existing facility. Relating to the relevant government approval, required for installation of new plant and machineries at our manufacturing facility, we understand that the same are already obtained by our Company, for incremental increase in installed capacity, details of which have been mentioned in the chapter titled, “Government and Statutory Approvals” on page 184 of this Draft Prospectus. We will continue to pursue such opportunities where we believe they will add value to our business, our stakeholders and our customers.

### **Rationale for additional Plant & Machinery**

- The USP of the company is to provide timely delivery and quality products, thus additional machinery would help us increase our production and execute orders effectively.
- We intend to purchase new printing machine of 6 colour with 4+2 division in which we can efficiently run two jobs simultaneously. The output of 1 printing machine is normally between 700-1000 kgs per day only, so as to do increase the production, additional printing machine is required.  
Since the installation of printing machine will lead to increased output, we would require additional doctoring machine to dispatch the final product simultaneously with proper checking facility in it.  
The new slitting machine is required, in order to help us slit more material in one shift and increase our per day output and include new blade mechanism in the new machine.
- We believe our investment in this plant and machineries will add on to our current installed capacity which will lead to 100 % capacity utilisation, thus, enabling us to cater to the growing demand from our customers.

Our Board in its meeting dated March 23, 2024 took note that an amount of ₹ 110.14 Lakhs is proposed to be utilised for the purchase of Plant and Machineries from the Net Proceeds. Our Company has received quotations from various suppliers for such machineries and is yet to place orders or enter into definitive agreements for purchase of few of the machineries. According to our expansion strategy, we believe this will allow us to function effectively and efficiently while meeting our growing company requirements. The total cost of our plant & machineries is ₹ 122.39 Lakhs out of which we intend to raise ₹ 110.14 Lakhs from the Net Proceeds. The break-down of such estimated costs are set forth below:

We have received quotations for the following new Plant & Machineries:

Description	Quantity	Rs in lakhs*	Supplier	Date of Quotation	Validity	Installation Location	Type of Machine
1000mm cap High Speed Slitting Rewinding Machine Model "WFM-JBSRM1000"	1	35.63	Web Flex Machines	December 07, 2023	Valid till June 04, 2024	Manufacturing Facility	New
500mm Cap Doctoring / Inspection Cum Rewinding Machine Model "WFM-DICR500-dlx"	1	15.50	Web Flex Machines	December 07, 2023	Valid till June 04, 2024	Manufacturing Facility	New
<b>Total</b>		<b>51.13</b>					

\* Excluding GST. GST payable on such machineries will be paid from our internal accruals.

We have also placed orders for the following new Plant & Machinery:

Description	Quantity	Rs in lakhs*	Supplier	Date of Purchase Order	Installation Location	Type of Machine
Duty Rotogravure Printing Machine Model – “WBPRINT – HD – 600S6”	1	71.26	Web Flex Machines	December 08, 2023	Manufacturing Facility	New

\*Excluding GST. GST payable on such machineries will be paid from our internal accruals.

Our Company has placed order for purchase of above-mentioned machinery with Web Flex Machines having its office at 2/3, Agarwal Industrial Estate Sativali Road, Vasai East, Palghar 401208, Maharashtra, India. The Total amount as per Purchase Order is ₹71.26 Lakhs out of which we have paid advance amounting to ₹11.25 Lakhs. Our Company intends to utilize ₹ 60.01 Lakhs from the Net Proceeds to purchase this machinery. The advance payment for the above-mentioned machinery is made out of internal accruals of our company.

## **2. Funding Working Capital Requirement**

Since Incorporation, our Company is engaged in Manufacturing business. The Business of the Company is working capital intensive. As on December 31, 2023, the aggregate amount sanctioned by the banks to our Company under the fund-based cash credit facilities amounted to ₹ 500.00 Lakhs. For details of facilities availed by us, see chapter titled “Financial Indebtedness” beginning on page 166 of this Draft Prospectus. Our Board in its meeting dated March 23, 2024 took note that an amount of ₹ 705.66 Lakhs is proposed to be utilised from the Net Proceeds of the Issue for working capital requirements. The Company will be utilizing the additional working capital for expansion of its business activities.

**Details of Existing Working Capital requirements:**

The details of our Company’s working capital as at December 31, 2023, June 26, 2023, March 31, 2021, March 31, 2022 and March 31, 2023 derived from Restated Financial Statements, and source of funding of the same are provided in the table below:

(₹ In Lakhs)

Sr. No.	Particulars	Actual				
		December 31, 2023	June 26, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
<b>I</b>	<b>Current Assets</b>					
	Inventories	1102.90	564.12	551.48	527.85	270.71
	Trade Receivables	700.59	677.04	681.64	399.98	308.52
	Short Term Loans and Advances	203.81	51.48	53.39	16.77	6.62
	Other Current Assets	46.61	0.03	0.77	20.44	12.48
	<b>Total (A)</b>	<b>2053.91</b>	<b>1292.68</b>	<b>1287.28</b>	<b>965.04</b>	<b>598.34</b>
<b>II</b>	<b>Current Liabilities</b>					
	Trade payables	540.68	251.85	249.09	128.09	22.92
	Other Current Liabilities	64.92	14.17	23.97	11.81	22.93
	Short term provisions	62.62	20.26	86.70	32.50	16.54
	<b>Total (B)</b>	<b>668.23</b>	<b>286.28</b>	<b>359.75</b>	<b>172.39</b>	<b>62.39</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>1385.69</b>	<b>1006.40</b>	<b>927.52</b>	<b>792.65</b>	<b>535.95</b>
<b>IV</b>	<b>Funding Pattern:</b>					
	<b>Short Term Borrowings</b>	1374.68	122.81	128.26	110.06	-
	<b>Internal Accruals</b>	11.00	883.59	799.27	682.59	535.95

\*The working capital details as at December 31, 2023, June 26, 2023, March 31, 2021, March 31, 2022 and March 31, 2023 and source of funding has been certified by our statutory auditor, AMB Jain & Co., Chartered Accountants, Chartered Accountants pursuant to their certificate dated March 27, 2024

**Basis of estimation of long-term working capital requirement:**

On the basis of our existing working capital requirements, our Board pursuant to its resolution dated March 23, 2024 has approved the estimated and projected working capital requirements for Fiscal 2024 and Fiscal 2025 as set forth below:

Sr. No.	Particulars	Projected	Projected
		Fiscal 2023 -2024	Fiscal 2024 -2025
<b>I</b>	<b>Current Assets</b>		
	Inventories	1086.04	1589.52
	Trade Receivables	1065.15	1665.74
	Short Term Loans and Advances	62.39	35.78
	Other Current Assets	39.39	44.87
	<b>Total (A)</b>	<b>2252.97</b>	<b>3335.91</b>
<b>II</b>	<b>Current Liabilities</b>		
	Trade payables	578.56	287.73
	Other Current Liabilities	55.54	56.84
	Short Term Provisions	61.32	67.96
	<b>Total (B)</b>	<b>695.42</b>	<b>412.53</b>

Sr. No.	Particulars	Projected	Projected
		Fiscal 2023 -2024	Fiscal 2024 -2025
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>1557.55</b>	<b>2923.38</b>
<b>IV</b>	<b>Funding Pattern</b>		
	<b>Internal Accruals &amp; Short Borrowings</b>	<b>1557.55</b>	<b>2217.72</b>
	<b>IPO Proceeds</b>	<b>-</b>	<b>705.66</b>

The projected working capital details as at March 31, 2024 and March 31, 2025 has been certified by our statutory auditor, AMB Jain & Co., Chartered Accountants pursuant to their certificate dated March 27, 2024.

**Key assumptions for working capital projections made by the Company:**

To cater to the growing demand from our existing customers and to meet requirements of new customers, we intend to expand and upgrade our manufacturing capacities for existing products and by adding new products that we are in the process of developing. We intend to increase our production capacity by way of installation of new plant and machineries on existing premises. We believe our investment in this plant and machineries will add on to our current installed capacity, thus, enabling us to cater to the growing demand from our customers and add new products in our existing product portfolio. This shall help us cater to expand our customer base and increase our revenue from operations. We plan to continue expanding our manufacturing capabilities in order to capture future growth trends. Further expanding our product offerings will help us to build on existing diversification of our business. We believe that maintaining a variety in range of products in our business provides us with an opportunity to cater to diverse needs of different customer segment.

The table below sets forth the details of holding levels (in days) for Period ended December 31, 2023 & June 26, 2023 and Fiscal 2021, Fiscal 2022, Fiscal 2023 as well as projections for Fiscal 2024 and Fiscal 2025:

Particulars	Actual					Estimated	Projected
	FY 2020-21	FY 2021-22	FY 2022-23	June 26, 2023	December 31, 2023	FY 2023-24	FY 2024-25
Debtor Holding Days	29	18	30	226	94	56	59
Creditor Holding Days	7	4	12	103	77	36	22
Inventory Holding Days	25	21	33	230	158	71	67

The assumptions for working capital projections as at March 31, 2021, 2022, 2023, December 31, 2023, June 26, 2023, March 31, 2024 and March 31, 2025 has been certified by our statutory auditor, M/s AMB Jain & Co, Chartered Accountants pursuant to their certificate dated March 27, 2024.

**Justification for increase in working capital requirement**

Sr. No.	Particulars
<b>Inventory</b>	Inventory includes finished goods and raw materials. The company had inventory days of around 33 days in Fiscal 2023 and is expecting them to increase to 71 days and 67-71 days in Fiscal 2024 and Fiscal 2025, respectively. This increase is primarily expected due to the company's plan to expand its operations by establishing a new production line. Thus, the company will require stocking raw materials to meet production demands and to receive cash/trade discounts and favourable pricing on its bulk purchases, resulting in increased inventory. Secondly, to penetrate new products into the market, we will need to keep stocks of finished goods and packing materials ready to make finished goods available at the appropriate time and place to capture the market.
<b>Trade Receivable Days</b>	Trade receivables days have shown a consistent increase over the years. In fiscal 2023, it amounted to 30 days, with projections indicating an increase to 56 days in fiscal 2024 and a further rise to 59-60 days in fiscal 2025. These figures suggest a trend of delayed payments from customers, which could potentially impact the company's liquidity and cash flow management.  Currently, all of our major clients are only associated with us with their 40-50 percent capacity. Despite their willingness to collaborate and share more orders, we are unable to accept new orders from them, because of a lack of working capital. Since we must extend credit to them in order to receive more orders. Hence, the additional funds will enable us to provide more credit.

Sr. No.	Particulars
	Thus, with more working capital our orders and credit would increase leading to increase in trade receivable as majority of our sales is under 30-60 days credit period only.  Since new products will be added to our product portfolio and to make them marketable, company will require to extend the credit period allowed to customers and dealers. The same will be required for other products in the portfolio as company is planning to increase its level of operation.
<b>Trade Payables</b>	A combination of lesser credit terms and increased business volume with our suppliers will help us get better prices from them. This would enable us to offer competitive prices to our customers. With the company's expansion, there will be a need to increase purchases, resulting in a slight rise in trade payables. This increase in payables is necessary to accommodate the larger volume of purchases required to support business growth. Trade payables days in Fiscal 2023 were 12 days, and we expect to keep payables days at 36 days in fiscal 2024. The same will be reduced to 22-25 days in Fiscal 2025 to negotiate at better rates with suppliers and to enjoy cash/trade discounts.
<b>Short term loans and Advances</b>	This includes mostly advances given to vendors. Since company is expanding its business and there will be need to make advance payments to enhance cost efficiency of products there will be increase in short term loan & advances. The increase is in line with anticipated increase in the scale of operation.
<b>Other current assets</b>	Other current assets include relates to prepaid expenses like electricity expense, other office expense, insurance expenses etc. and the balances with the revenue authorities, thus there is marginal increase in other current assets in Fiscal 2024 and Fiscal 2025.
<b>Other current Liabilities</b>	Other current liabilities include Salary payable as on period end, statutory dues and taxes payable like PT, PF, Bonus and salary payables, power and fuel payables, audit fees etc. This figure is expected to increase due to increase in size of overall business of the company.
<b>Short term Provisions</b>	Short term provisions mainly include provision for taxation. These provisions are expected to increase due to increase in size of overall business of the company.

### 3. General Corporate Purposes

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

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

#### ESTIMATED ISSUE RELATED EXPENSES

The Total expenses for this Issue are estimated to be approximately Rs. [●] Lakhs which is [●] % of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows:

Particulars	Estimated expenses (Rs. In Lakhs) *	As a % of total estimated Issue related expenses*	As a % of the total Issue size*
Lead Manager Fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling, commission and upload fees	[●]	[●]	[●]
Registrar to the issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]

Particulars	Estimated expenses (Rs. In Lakhs) *	As a % of total estimated Issue related expenses*	As a % of the total Issue size*
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Others, if any (market making, depositories, marketing fees, secretarial, peer review auditors, etc.)	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	[●]	[●]	[●]

\* To be incorporated in the Prospectus after finalisation of the Issue Price.

The fund deployed out of internal accruals up to [●] is ₹ [●] Lakhs towards offer expenses vide certificate dated [●] having UDIN: [●] received from [●], Chartered Accountants and the same will be recouped out of issue expenses.

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs:

- 1) SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them.
- 2) Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount.
- 3) No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
- 4) The commission and processing fees shall be released only after the SCSBs provide a written confirmation to the Lead Manager not later than 30 days from the finalization of Basis of Allotment by Registrar to the Issue in compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.
- 5) Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

## APPRAISAL

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

## SHORTFALL OF FUNDS

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

## BRIDGE FINANCING FACILITIES

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

## MONITORING UTILIZATION OF FUNDS

As this is a Fresh Issue for less than ₹ 10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.



Pursuant to SEBI LODR Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

#### **INTERIM USE OF PROCEEDS**

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

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

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

#### **OTHER CONFIRMATIONS**

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

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the LM on the basis of an assessment of market demand for the Equity Shares issued through the fixed price method and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹10/- each and the Issue Price is 3.2/- times of the face value.

Investors should read the following basis with the section titled “Risk Factors” and chapters titled “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Our Business” beginning on page 23, 163, 167 and 111 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

The Issue Price will be determined by our Company in consultation with the LM on the basis of an assessment of market demand for the Equity Shares issued through the fixed price method and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹10/- each and the Issue Price is 3.2/- times of the face value.

Investors should read the following basis with the section titled “Risk Factors” and chapters titled “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Our Business” beginning on page 23, 163, 167 and 111 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

Some of the qualitative factors and our strengths which form the basis for the Issue price are:

- Cost effective production and timely fulfilment of orders;
- Experienced Promoters and management team;
- Well Equipped Manufacturing Facility;
- Quality assurance and standards;
- Wide range of our products;
- Well established relationship with clients;

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see chapter titled “Our Business” beginning on page 111 of this Draft Prospectus.

### QUANTITATIVE FACTORS

The information presented in this chapter is derived from Company’s Restated Financial Statements as at and for the period ended December 31, 2023 & June 26, 2023 and financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021, has been prepared in accordance with Indian GAAP and in terms of the requirements of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI as amended from time to time. For more details on financial information, investors please refer the chapter titled “Restated Financial Statements” beginning on page 163 of this Draft Prospectus.

Investors should evaluate our Company taking into consideration its niche business segment and other qualitative factors in addition to the quantitative factors. Some of the quantitative factors which may form the basis for computing the price are as follows:

#### 1. Basic and Diluted Earnings / (Loss) Per Share (“EPS”) as per AS 20

As per Restated Financial Statements - Post Bonus

Particulars	Basic & Diluted EPS (in ₹)	Weights
March 31, 2023	28.25	3
March 31, 2022	12.58	2
March 31, 2021	6.71	1
<b>Weighted Average</b>	<b>19.44</b>	<b>6</b>

Particulars	Basic & Diluted EPS (in ₹)	Weights
For the period ended June 26, 2023 (Not annualised)	9.87	
For the period ended December 31, 2023 (Not annualised)	24.66	

**Notes:**

1. *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.*
2. *Earnings per Equity Share = Profit for the year / Weighted average number of equity shares outstanding during the year.*
3. *Basic and diluted Earnings per Equity Share are computed in accordance with Accounting Standard 20.*
4. *The basic and diluted Earnings per Equity Share for the current year and previous year presented have been calculated/restated after considering the bonus issue subsequent to March 31, 2023.*
5. *The face value of each Equity Share is ₹10/-.*

**2. Basic and Diluted Earnings / (Loss) Per Share (“EPS”) as per AS 20 (Considering Actual Partners Capital)**

**As per Restated Financial Statements - Post Bonus**

Particulars	Basic & Diluted EPS (in ₹)	Weights
March 31, 2023	1.71	3
March 31, 2022	0.97	2
March 31, 2021	0.52	1
<b>Weighted Average</b>	<b>1.26</b>	<b>6</b>
For the period ended June 26, 2023 (Not annualised)	0.54	
For the period ended December 31, 2023 (Not annualised)	24.66	

**3. Price Earnings Ratio (“P/E”) in relation to the Issue Price of ₹ 32 per Equity share of ₹ 10/- each fully paid-up**

Particulars	P/E (number of times)
<b>Based on Restated Financial Statements- Post Bonus</b>	
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	1.13
P/E ratio based on the Weighted Average Basic & Diluted EPS	1.65

*Note: P/E ratio has been computed dividing the price per share by Earnings per Equity Share.*

**4. Industry P/E ratio**

Particulars	P/E Ratio
Highest	70.47
Lowest	36.00
Average	53.24

**Notes:**

- (1) *The industry high and low has been considered from the industry peer set provided later in this section. The industry average has been calculated as the arithmetic average P/E of the industry peer set provided later in this section.*
- (2) *The industry P / E ratio mentioned above is for the financial year ended March 31, 2023.*
- (3) *All the financial information for listed industry peers mentioned above is sourced from the audited financial results of the relevant companies for Fiscal 2023, as available on the website of the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).*

**5. Return on Net worth (RoNW)**

**As per Restated Financial Statements**

Particulars	RONW (%)	Weights
March 31, 2023	13.26	3
March 31, 2022	7.25	2
March 31, 2021	5.16	1

Particulars	RONW (%)	Weights
<b>Weighted Average</b>	<b>9.91</b>	<b>6</b>
For the period ended June 26, 2023 (Not annualised)	4.38	
For the period ended December 31, 2023 (Not annualised)	8.10	

Note: Return on Net Worth (%) = Profit for the year / Net Worth at the end of the year.

#### 6. Net Asset Value (NAV) of face value of ₹10/- each

As per Restated Financial Statements – Post Bonus

Financial Year	NAV (₹)
March 31, 2023	165.16
March 31, 2022	130.25
March 31, 2021	130.00
For the period ended June 26, 2023 (Not annualised)	183.74
For the period ended December 31, 2023 (Not annualised)	25.10
Net Asset Value per Equity Share after the Issue at Issue Price	[●]
Issue Price	32/-

Note: Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the year / Weighted number of equity shares outstanding at the end of the year.

#### 7. Net Asset Value (NAV) of face value of ₹10/- each (Considering Actual Partners Capital):

As per Restated Financial Statements – Post Bonus

Financial Year	NAV (₹)
March 31, 2023	10.00
March 31, 2022	10.00
March 31, 2021	10.00
For the period ended June 26, 2023 (Not annualised)	10.00
For the period ended December 31, 2023 (Not annualised)	25.10
Net Asset Value per Equity Share after the Issue at Issue Price	[●]
Issue Price	32/-

Note: Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the year / Weighted number of equity shares outstanding at the end of the year.

#### 8. Comparison of Accounting Ratios with listed Industry Peer

Name of Company	CMP (₹)	Face Value (₹)	Basic EPS (₹)	PE Ratio (times)	RoNW (%)	NAV per Share (₹)
GSM Foils Limited	[●]	10	28.25	[●]	13.26	165.16
<b>Peer Group</b>						
Synthiko Foils Limited	66.95	5	0.95	70.47	2.85%	33.36
MMP Industries Limited	262.05	10	7.28	36.00	8.22%	91.68

Source: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

Notes:

- (1) The figures for our company are based on Restated Financial Statements for the year ended March 31, 2023 after taking effect of the Bonus Shares allotted on March 1st, 2024.
- (2) The figures for the Peer Group are based on the Standalone Financial Statements filed for the financial year ended March 31, 2023.
- (3) P/E Ratio has been computed based on their respective closing market price on March 22, 2024 as divided by the Basic EPS as on March 31, 2023.
- (4) CMP is the closing prices or the last traded price of respective scripts as on March 22, 2024.
- (5) The Issue Price determined by our Company in consultation with the Lead Manager is justified by our Company in consultation with the Lead Manager on the basis of the above parameters.

#### 9. Key Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 22, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Prospectus. Further, the KPIs herein have been certified by M/s AY & Company, Chartered Accountants by their certificate dated March 22, 2024.

The KPIs of our Company have been disclosed in the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 111 and 167 of this Draft Prospectus, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 1 of this Draft Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Issue as per the disclosure made in the chapter titled “Objects of the Issue”, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

**a) Key Performance Indicators of our Company.**

*(Rs. in Lakhs except percentages)*

Key Financial Performance	December 30, 2023	June 26, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	2,717.87	1,091.66	6,588.35	7,185.04	3,646.23
EBITDA <sup>(2)</sup>	202.72	87.22	283.84	131.58	72.07
EBITDA Margin (%) <sup>(3)</sup>	7.46%	7.99%	4.31%	1.83%	1.98%
PAT	124.79	49.93	142.97	63.65	33.93
PAT Margin (%) <sup>(4)</sup>	4.59%	4.57%	2.17%	0.89%	0.93%
Return on equity (%) <sup>(5)</sup>	23.62	5.66	19.13	9.67	5.30
Return on capital employed (%) <sup>(6)</sup>	1.60	0.09	0.34	0.20	0.11
Debt-Equity Ratio (times) <sup>(7)</sup>	11.13	0.23	0.29	0.33	-
Current Ratio (times) <sup>(8)</sup>	1.03	3.23	2.74	3.56	10.83
Net profit ratio <sup>(9)</sup>	4.59	4.57	2.17	0.89	0.93

As certified by M/s A Y & Company, Chartered Accountants, through their certificate dated March 22, 2024.

**Notes:**

- 1) Revenue from operation means revenue from sale of our products
- 2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- 4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations
- 5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity
- 6) Return on Capital Employed is calculated as follows: Profit before tax + Finance Costs – Other Income (EBIT) divided by (Tangible Net Worth + Total Debt + Deferred Tax Liabilities)
- 7) Debt to Equity ratio is calculated as Total Debt divided by equity
- 8) Current Ratio is calculated by dividing Current Assets to Current Liabilities
- 9) Net profit ratio is calculated by dividing Net Profit to Revenue from Operations

**b) Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company**

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Financial Information. We use these KPIs to evaluate our performance. Some of these KPIs are not defined under applicable Accounting Standards and are not presented in accordance with applicable Accounting Standards. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it provides an additional tool for investors to use in evaluating our ongoing results, when taken collectively with financial measures prepared in accordance with applicable Accounting Standards.

## Explanations for the certain financial data based on Restated Financial Statements

Key Financial Performance	Explanations
Financial KPIs	
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Return on equity (%)	Return on equity (ROE) is a measure of financial performance
Return on capital employed (%)	Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital
Debt-Equity Ratio (times)	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Current Ratio (times)	The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year
Net profit ratio (%)	Net Profit Margin ( <i>also known as "Profit Margin" or "Net Profit Margin Ratio"</i> ) is a financial ratio used to calculate the percentage of profit our company produces from its total revenue

### c) Comparison with Listed Industry Peers

As on March 31, 2023:

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	GSM Foils Limited	MMP Industries Limited	Synthiko Industries Ltd
Revenue from Operations <sup>(1)</sup>	6588.35	53829.03	2564.93
EBITDA <sup>(2)</sup>	283.84	3585.10	70.62
EBITDA Margin (%) <sup>(3)</sup>	4.31%	6.66%	2.75%
PAT	142.97	1850.12	16.57
PAT Margin (%) <sup>(4)</sup>	2.17%	3.44%	0.65%
Return on Equity (%) <sup>(5)</sup>	19.13%	8.22%	2.85%
Debt to Equity Ratio ( <i>times</i> ) <sup>(6)</sup>	0.29	0.25	0.68
Current Ratio ( <i>times</i> ) <sup>(7)</sup>	2.74	1.70	2.10

As on March 31, 2022:

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	GSM Foils Limited	MMP Industries Limited	Synthiko Industries Ltd
Revenue from Operations <sup>(1)</sup>	7185.04	44826.01	2954.84
EBITDA <sup>(2)</sup>	131.58	4240.35	193.69
EBITDA Margin (%) <sup>(3)</sup>	1.83%	9.46%	6.55%
PAT	63.65	2438.69	91.85
PAT Margin (%) <sup>(4)</sup>	0.89%	5.44%	3.11%
Return on Equity (%) <sup>(5)</sup>	9.67%	11.83%	16.29%
Debt to Equity Ratio ( <i>times</i> ) <sup>(6)</sup>	0.33	0.24	0.68
Current Ratio ( <i>times</i> ) <sup>(7)</sup>	3.56	1.71	1.79

As on March 31, 2021:

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	GSM Foils Limited	MMP Industries Limited	Synthiko Industries Ltd
Revenue from Operations <sup>(1)</sup>	3646.23	23073.36	2606.11
EBITDA <sup>(2)</sup>	72.07	2704.68	137.44
EBITDA Margin (%) <sup>(3)</sup>	1.98%	11.72%	5.27%
PAT	33.93	1578.20	38.04
PAT Margin (%) <sup>(4)</sup>	0.93%	6.84%	1.46%
Return on Equity (%) <sup>(5)</sup>	5.30%	8.43%	8.06%
Debt to Equity Ratio ( <i>times</i> ) <sup>(6)</sup>	0.00	0.15	0.89
Current Ratio ( <i>times</i> ) <sup>(7)</sup>	10.83	1.84	1.77

**Explanation of KPIs:**

- (1) Revenue from operations means the revenue from operations as appearing in the restated financial information.  
(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.  
(3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.  
(4) PAT Margin is calculated as PAT for the year divided by revenue from operations.  
(5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity.  
(6) Debt to Equity ratio is calculated as Total Debt divided by equity.  
(7) Current Ratio is calculated by dividing Current Assets to Current Liabilities.

**10. Justification for Basis for Issue price****a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares**

Except as mentioned below, there has been no issuance of Equity Shares (excluding shares issued under ESOP/ESOS and issuance of bonus shares), during the 18 months preceding the date of this Certificate, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-offer capital before such transaction(s) and excluding Bonus Issue of Shares, employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

*(Rs. In Lakhs)*

Date of Allotment	No. of Equity Shares allotted	Face Value	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Amount
Upon Incorporation	22,000	10	10	Cash	Subscription to MOA	2.2
20-Feb-24	3,85,463	10/-	250	Other than Cash	Conversion of Loan	963.66
Weighted average cost of acquisition (WACA) Primary issuances (in ₹ per Equity Share)						237.04

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

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-offer share 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) Since there is an eligible transaction of our Company reported in (a) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations and no transaction to report under (b) therefore, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoters/Promoter Group entities, Selling Shareholders or Shareholder(s) having the right to nominate director(s) on the Board are a party to the transaction) not older than three years prior to the date of this Draft Prospectus, irrespective of the size of transactions, has not been computed.**

**d) Weighted average cost of acquisition, Issue Price**

Based on the disclosures in (a) above, the weighted average cost of acquisition of Equity Shares as compared with the Issue Price is set forth below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Issue Price (₹ 32.00)
Weighted average cost of acquisition of primary issuances as per paragraph (a) above	237.04	0.13
Weighted average cost of acquisition for secondary transactions as per paragraph (b) above	N. A	NA

*\*As certified by Statutory Auditors of our Company, by way of their certificate dated March 23, 2024.*

**Explanation for Issue Price being 0.13 times of weighted average cost of acquisition of secondary issuance price of Equity Shares (set out in 10(d) above) along with our Company's key performance indicators and financial ratios for the period ended on December 31, 2023 and June 26, 2023 and for the financial year ended March 31, 2023, 2022 and 2021.**

**e) The Issue Price is 3.2 times of the face value of the equity shares**

The face value of our share is ₹ 10/- per share and the Issue Price is of ₹ 32/- per share are 3.2 times of the face value. Our Company and in consultation with the Lead Manager believes that the Issue Price of ₹ 32/- per share for the Public Issue is justified in view of the above quantitative and qualitative parameters. Investor should read the above-mentioned information along with the section titled "Risk Factors" beginning on page 23 of this Draft Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled "Restated Financial Statements" beginning on page 163 of this Draft Prospectus



## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors,  
GSM Foils Limited  
Gala No 06/106/206/306, Sapphire Building,  
Diamond Industrial Estate, Vasai East, Thane,  
Maharashtra, India, 401208.

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

### **Reference - Initial Public Offer of Equity Shares by GSM Foils Limited**

We hereby confirm that the enclosed Annexure 1 and 2 (together “the Annexures”), prepared by GSM Foils Limited (“the Company”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2024, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2024, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2024-25 relevant to the assessment year 2024-25, presently in force in India (together, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
2. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
4. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Prospectus/ Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

For M/s AY & Co.  
Chartered Accountants  
FRN: 020829C

Arpit Gupta  
Partner  
M. No. 421544  
**UDIN:** 24421544BKFPIR4610

**Place:** Thane  
**Date:** 22.03.2024

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

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

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

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

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

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

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

#### **Note:**

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

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

## **ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the GST Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

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

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

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

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

#### **Note:**

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

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

## SECTION VI – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

### GLOBAL ECONOMIC OVERVIEW

The baseline forecast is for global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, well below the historical (2000–19) average of 3.8 percent. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

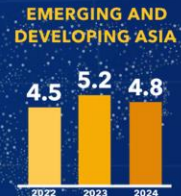
Monetary policy actions and frameworks are key at the current juncture to keep inflation expectations anchored. It emphasizes the complementary role of monetary policy frameworks, including communication strategies, in helping achieve disinflation at a lower cost to output through managing agents' inflation expectations. Given increasing concerns about geoeconomic fragmentation.



# WORLD ECONOMIC OUTLOOK OCTOBER 2023

## GROWTH PROJECTIONS BY REGION

(PERCENT CHANGE)



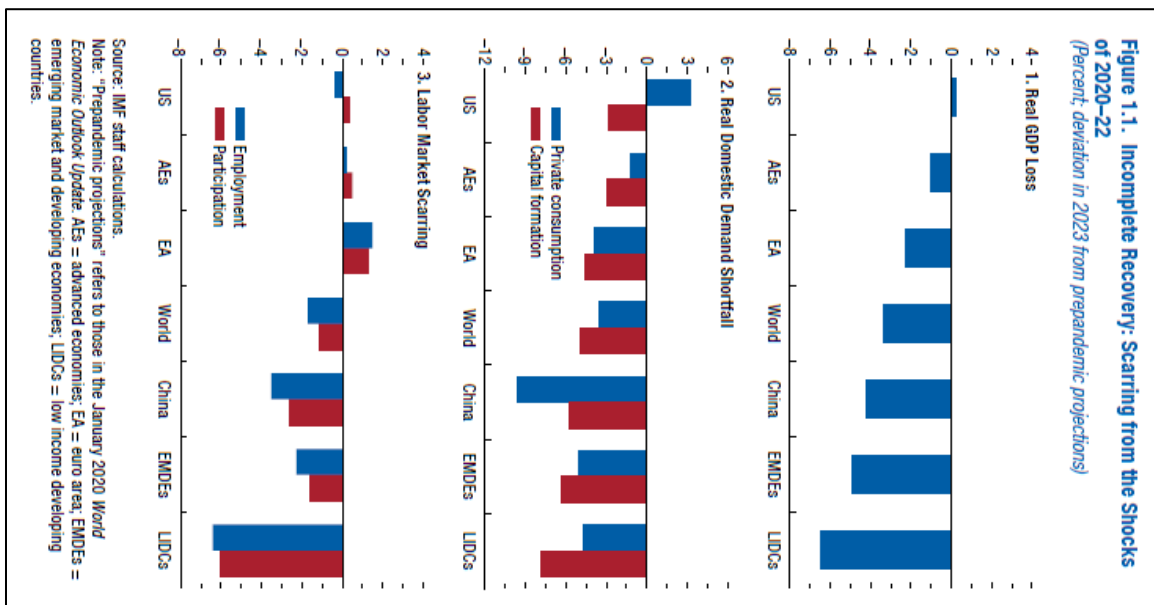
IMF.org #WEO

Source: IMF, *World Economic Outlook*, October 2023.

Note: Order of bars for each group indicates (left to right): 2022, 2023 projections, and 2024 projections.

### Resilient Global Economy Is Limping Along, with Growing Divergences

The global economy continues to recover slowly from the blows of the pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis. In retrospect, the resilience has been remarkable. Despite the disruption in energy and food markets caused by the war, and the unprecedented tightening of global monetary conditions to combat decades-high inflation, the global economy has slowed, but not stalled. Yet growth remains slow and uneven, with growing global divergences. The global economy is limping along, not sprinting.



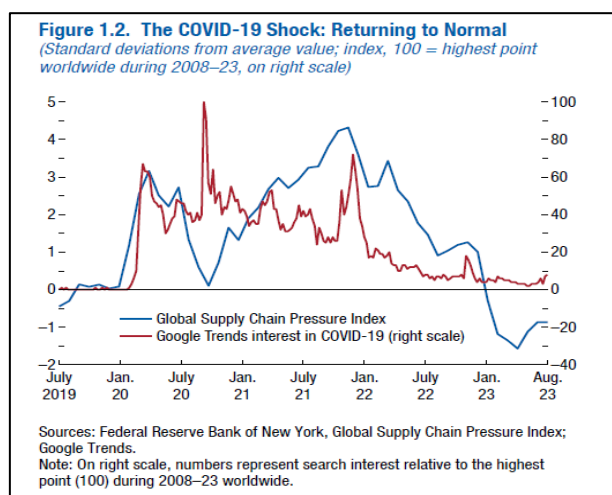
According to the projections, global growth will slow from 3.5 percent in 2022 to 3 percent this year and 2.9 percent next year, a 0.1 percentage point downgrade for 2024 from our July projections. This remains well below the historical average. Headline inflation continues to decelerate, from 9.2 percent in 2022, on a year-over-year basis, to 5.9 percent this year and 4.8 percent in 2024. Core inflation, excluding food and energy prices, is also projected to decline, albeit more gradually than headline inflation, to 4.5 percent in 2024.

As a result, projections are increasingly consistent with a “soft landing” scenario, bringing inflation down without a major downturn in activity, especially in the United States, where the forecast increase in unemployment is very modest, from 3.6 to 3.9 percent by 2025.

### Growing Global Divergences

After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia’s war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of prepandemic (January 2020) projections, especially in emerging market and developing economies (Figure 1.1, panel 1).

The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its prepandemic path. The euro area has recovered, though less strongly—with output still 2.2 percent below prepandemic



projections, reflecting greater exposure to the war in Ukraine and the associated adverse terms-of-trade shock, as well as a spike in imported energy prices. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about 4.2 percent, compared with prepandemic predictions. Other emerging market and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent. Higher interest rates and depreciated currencies have exacerbated the difficulties of low-income countries, placing more than half either at high risk of distress or already in distress. Overall, global output for 2023 is estimated at 3.4 percent (or about \$ 3.6 trillion in 2023 prices) below prepandemic projections. Private consumption has also recovered faster in advanced economies than in emerging market and developing economies, owing to an earlier reopening in the former group facilitated by greater availability of effective vaccines, stronger safety nets, more ample policy stimulus, and greater feasibility of remote work. These factors supported livelihoods during the pandemic, and household consumption is now broadly back to prepandemic trends. Among advanced economies, private consumption has been stronger in the United States than in the euro area, with households receiving larger fiscal transfers early in the pandemic and spending the associated savings more quickly; being better insulated from the rise in energy prices resulting from the war in Ukraine; and feeling relatively confident amid historically tight US labor markets, which have supported real disposable incomes (Figure 1.1, panel 2). Among emerging market and developing economies, the consumption shortfall is particularly large in China, reflecting tight restrictions on mobility during the COVID-19 crisis.

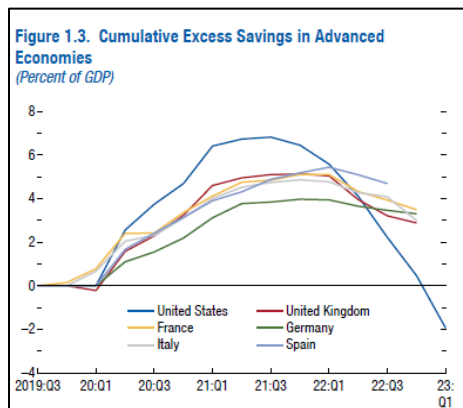
Investment, on the other hand, has uniformly fallen short of prepandemic trends across regions. Businesses have shown less enthusiasm for expansion and risk taking amid rising interest rates, withdrawal of fiscal support, dimmer prospects for product demand, stricter lending conditions, and growing uncertainties 75 million to 95 million more people were living in extreme poverty in 2022 compared with prepandemic estimates. Spikes in food prices and related insecurities following Russia’s invasion of Ukraine, as well as bouts of extreme weather, have accentuated these difficulties. The global average temperature in July 2023 was the highest on record for any month, amid reports of catastrophic flooding, heat waves, and wildfires in many regions. Overall, the global prevalence of undernourishment is significantly higher than before the pandemic (FAO and others 2023).

### Resilient Start to 2023, Signs of Slowdown

Despite these persistent challenges, several headwinds to global growth subsided earlier this year. The World Health Organization announced in May that it no longer considered COVID-19 a global health emergency, and infections and

hospitalizations appear to remain relatively limited, despite a recent uptick in some regions. Supply chains, which the pandemic disrupted, have largely normalized, with shipping costs and suppliers' delivery times back to prepandemic levels. And global financial conditions eased after Swiss and US authorities took strong action in March to contain turbulence in their banking sectors.

Amid these conditions, global GDP expanded by 3.4 percent in the second quarter of 2023 compared with a year earlier outperforming forecasts, including those in the April 2023 WEO. The resilience reflected strong consumption amid tight labor markets in the United States and robust activity in economies with large travel and tourism sectors, such as Italy,



Mexico, and Spain. These developments offset a slowdown in more interest-rate-sensitive manufacturing sectors.

**China: Slower Growth**

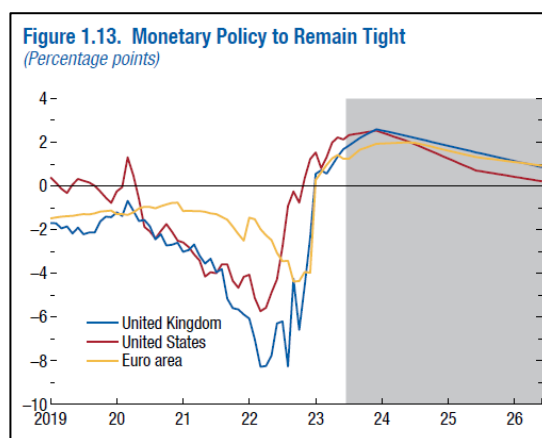
China's growth momentum is fading following a COVID-19 reopening surge in early 2023. Growth slowed from 8.9 percent in the first quarter of 2023 (seasonally adjusted annualized quarterly rate) to 4.0 percent in the second quarter. With ample economic slack and declining energy and food prices, inflation fell to an estimated 0.2 percent (year over year) in the second quarter of 2023. Country Garden China's largest property developer and a major beneficiary of government support—is facing severe liquidity stress, a sign that real estate distress is spreading to stronger developers, despite policy easing measures. Meanwhile, real estate investment and housing prices continue to decline, putting pressure on local governments' revenues from land sales and threatening already fragile public finances. Commodity exporters and countries that are part of the Asian industrial supply chain are the most exposed to China's loss of momentum.

**Tighter Monetary Policy, Tighter Credit**



Acute stress in the banking sector has receded. The March 2023 banking scare remained contained and limited to problematic regional banks in the United States and Credit Suisse a Swiss globally systemically important bank on account of swift reaction by authorities in both countries. However, rapid rate hikes in major advanced economies over the past 18 months, a necessary response to rapidly rising inflationary pressures, have resulted in a tight monetary policy stance real rates above neutral rates that is expected to endure well into 2025.





(Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023>)

## INDIAN ECONOMY OVERVIEW

### Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices in the second quarter of 2022–23 is estimated at US\$ 1.94 trillion (Rs. 160.06 trillion), showing a growth of 7.2% as compared to the First Revised Estimates of GDP for the year 2021-22 of US\$ 1.81 trillion (Rs. 149.26 trillion), indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In FY22, India's service exports stood at US\$ 254.4 billion. Furthermore, India's overall exports (services and merchandise) was estimated at US\$ 770.18 billion in FY23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-December 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

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

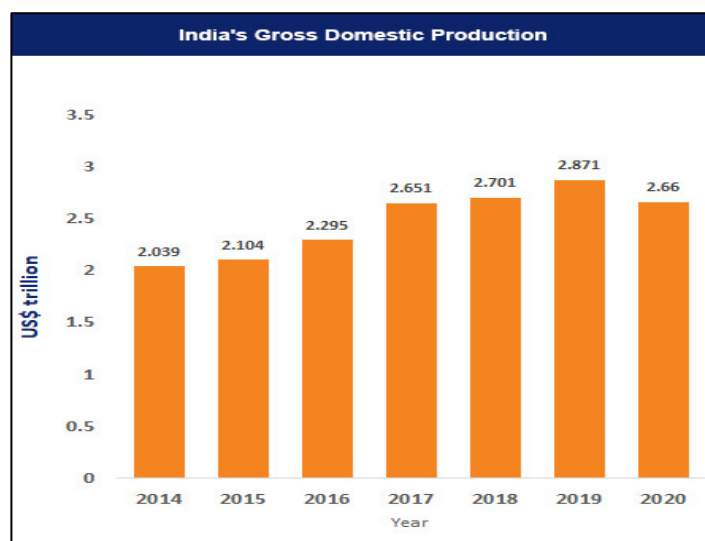
India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

### Market Size

India's nominal gross domestic product (GDP) at current prices is estimated to be at US\$ 3.31 trillion (Rs. 272.41 trillion) in FY22. Additionally, the Nominal GDP at current prices in Q3 of 2022-23 was US\$ 874.84 billion (Rs. 71.82 trillion), as against US\$ 792.3 billion (Rs. 65.05 trillion) in 2021-22, estimating a growth of 10.4%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at US\$ 1.3 billion, 0.2% of GDP in the fourth quarter of FY23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.



### Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of January 6, 2023, India's foreign exchange reserves stood at US\$ 561,583 million.
- 1,261 deals were recorded of more than US\$ 46 billion of Private Equity (PE) – Venture Capitalist (VC) investments in 2022. 111 mega transactions (rounds of US\$ 100 million or more) totalling US\$ 31 billion were completed in 2022.
- Merchandise exports in March 2023 stood at US\$ 38.38 billion, with total merchandise export of US\$ 447.46 billion during the period of April-March 2023. The overall exports (merchandise and service exports) in 2022-23 was estimated at US\$ 770.18, exhibiting a positive growth of 13.84%.
- India ranks 3rd position in the global number of scientific publications further improving India's Global Innovation Index (GII) rank from 81st in 2014 to 40th in 2022.
- PMI Services remained comfortably in the expansionary zone at 57.8 in the month of June 2023.
- In June 2023, the gross Goods and Services Tax (GST) revenue collection stood at US\$ 19.63 billion (Rs.1,61,497 crore), of which CGST is US\$ 3.77 billion (Rs. 31,013 crore), SGST is US\$ 4.65 billion (Rs. 38,292 crore), IGST is US\$ 9.76 billion (Rs. 80,292 crore).
- Between April 2000 – March 2023, cumulative FDI equity inflows to India stood at US\$ 9919.63 billion.
- In May 2023, the overall IIP (Index of Industrial Production) stood at 145. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 128.1, 142.3 and 201.6, respectively, in May 2023.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 4.81% in June 2023.
- In FY23, the Foreign Portfolio Investment (FPI) outflows stood at US\$ 14.81 billion (Rs. 1.21 trillion). As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crore (US\$ 2.67 billion) in India during the first week of July 2023.
- The wheat procurement during RMS 2022-23 was estimated to be 262 lakh metric tonnes and the rice procured in KMS 2022-23 was 624.18 lakh metric tonnes (518 LMT for Kharif crop and 106.18 LMT for Rabi crop). Moreover, in the budget 2022-23, direct payment of (Maximum Selling Price) MSP was launched that estimated to be US\$ 31.74 billion (Rs. 2.37 trillion) in order to boost farmers' income.

## Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of US\$ 182.35 million (Rs. 1,500 crore).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from 1st January 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on 29th December 2022 by the Ministry of Railways.
- On 7th October 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of US\$ 242.72 million (Rs. 2,000 crore) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.

- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on 14 June 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on 30 June 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from 1st April 2022, aimed at strengthening interventions for women's safety, security and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at US\$ 142.93 billion (Rs. 10.68 trillion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).

- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.

- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

### Road Ahead

In the second quarter of FY23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In June 2023 (Provisional), CPI-C inflation was 4.81%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

## GLOBAL MANUFACTURING INDUSTRY

### What is a manufacturing business model?

In simple words, a manufacturing business model refers to the way a manufacturer creates value and structures its operations to transform raw materials and components into finished products through a series of design, production, and logistics processes to create and deliver value to its customers as well as capture value for itself and its stakeholders. Business models are integral to a manufacturer's success and competitive edge as they provide a roadmap for creating value, generating revenue, managing costs, and adapting to a dynamic business environment<sup>1</sup>. Manufacturing firms that strategically design and execute innovative business models are better positioned for longterm success.

A generic manufacturing business model can be described in terms of nine key building blocks<sup>4</sup> that interact to configure different organisational resources, activities, and partners to create and deliver products and services to one or more customer segments through the proper channels and relations within a reasonable cost and gaining acceptable revenue and profits. These building blocks include Customer segments that represent the different groups of customers a manufacturing business serves with its products and services. These customer groups could include industrial clients, wholesalers, retailers, or endconsumers. Identifying and understanding the specific needs and characteristics of each of these customer groups is crucial for tailoring the manufacturer's value propositions accordingly and for effectively configuring the required resources, activities, and partners for the design, manufacturing, and delivery of such value propositions through the proper channels. The value proposition that stands for the unique value (benefits) a manufacturing business can offer to its customers in terms of new product designs and features, superior quality and performance, mass customisation or personalisation options, or other value-added factors such as complementary services that set a manufacturer's products apart from those of its competitors.

**Channels** that determine the most effective ways to reach and sell to customers. These channels might involve direct sales, distribution through retailers, e-commerce platforms, or partnerships with other businesses. Channels also consider the supply chain and logistics aspects integral for delivering complete and timely product orders.

**Customer relationships** that outline how a manufacturing business will engage with its customers. This could include customer support, warranty services, and other post-sales interactions during a product's middle- and end-of-life as well as regular communications to understand and meet evolving customer needs.

**Revenue streams** that specify the sources of revenue for the manufacturing business. This could include product sales, maintenance contracts, licensing fees, or any other ancillary services that can contribute to the income streams.

**Key resources** that account for the critical resources and assets required to operate a manufacturing business from raw materials to production facilities and equipment to skilled labour.

**Key activities** that define the design, engineering, and manufacturing processes needed to conceptualise and develop a product.

**Key partners** that can enhance the manufacturing capabilities of the business or provide access to key resources and assets. These alliances might include suppliers, distributors, or joint ventures.

**Cost structure** that outlines the major costs associated with running a manufacturing business, including raw materials, labour, facilities, distribution, and overhead costs.

### **What is manufacturing business model innovation?**

Manufacturing business model innovation refers to the process of strategically reimagining and redesigning one or more of the nine building blocks of a manufacturing firm's business model and/or the architecture linking this departure from traditional manufacturing approaches, encompassing significant changes in how a manufacturer designs, produces, sells, and supports its products along their lifecycles. Key areas for manufacturing business model innovation related to the nine building blocks of a generic manufacturing business model include but are not limited to:

**New customer-centricity approaches** place a strong emphasis on understanding and meeting the targeted customer segments' needs and engaging customers in value co-creation and co-innovation activities to ensure that the offered products and services align with their expectations.

**New value propositions** focus on creating new masscustomised or personalised sustainable products, enhancing existing ones with new sustainable and smart features, or providing additional services to these to better meet evolving customer needs.

**New sales channels** such as online marketplaces and social media channels sell directly to consumers and bypass traditional retail channels, thus leading to better shopping experiences.

building blocks by looking at innovative ways of creating, delivering, and capturing new forms of value, enhancing competitiveness, and adapting to changing market and consumer dynamics<sup>5 6</sup>. It involves a systematic and radical

**New customer relationships** prioritise the customer through distinctive loyalty programmes, special promotions, and unique shopping experiences, tailored with customer data insights, which demonstrate a deeper understanding of customer pains.

**New revenue streams** beyond selling physical products explore new recurring income sources based on the offering of services and solutions, for instance, maintenance, upgrades, and performance-based contracts as well as leveraging data monetisation opportunities.

**New resources management practices** based on the circular economy principles minimise the impact of finite resource consumption and create truly sustainable business models and value propositions.

**New activities optimisation efforts** enhance efficiency, boost productivity, minimise waste, reduce costs, and improve product quality.

**New partnership schemes** based on collaborations with other manufacturers, suppliers, or even competitors create synergies and unlock new value propositions by integrating complementary products and/or services.

**New cost structures** analyse and better manage the various costs incurred in the design, manufacturing, and delivery of products and services to enhance profitability.

### **What are the challenges of manufacturing business model innovation?**

While manufacturing business model innovation can bring about positive changes as discussed, it also comes with its set of challenges. Here are some common hurdles that manufacturing firms may face when attempting to innovate their business models:

**Resistance to change** is one of the primary challenges to manufacturing business model innovation as employees may be hesitant to adopt new technologies or ways of working.

**High initial costs** that come with the implementation of new technologies or processes that can require a significant upfront investment. Integration with legacy systems as new technologies may not be easily compatible.

**Skills gaps** as the adoption of advanced technologies may require new skill sets not available in the workforce.

**Data security concerns** as production equipment becomes more connected through the Internet of Things (IoT) and other digital technologies, there are increased concerns about cyber threats.

**Regulatory compliance** as new business models may require manufacturing firms to navigate complex regulatory landscapes, which can slow down the pace of innovation.

**Uncertain return on investment (ROI)** as manufacturing firms may hesitate to invest in new technologies without a clear understanding of the long-term benefits and financial returns.

**Cultural shift** towards a true culture of innovation can be difficult since it requires not only changes in processes and technologies but also a shift in the organisational mindset, embracing experimentation, learning from failures, and continuous improvement.

**Lack of standardisation** can complicate the adoption process of new technologies.

**Market acceptance** when introducing new products or services through innovative business models may face challenges in gaining customers' and partners' acceptance. Long implementation timelines as significant changes in business models can take time. Overcoming these challenges requires strategic planning, effective change management, and a commitment to fostering a culture of innovation within a manufacturing firm.

(Source: [https://worldmanufacturing.org/wp-content/uploads/27/6-WMF-Report-2023\\_E-Book.pdf](https://worldmanufacturing.org/wp-content/uploads/27/6-WMF-Report-2023_E-Book.pdf))

## INDIAN MANUFACTURING INDUSTRY

### Introduction

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.

The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.

Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry. The Indian manufacturing sector is steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.

India has the capacity to export goods worth US\$ 1 trillion by 2030 and is on the road to becoming a major global manufacturing hub.

With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025.

India now has the physical and digital infrastructure to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains.

A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. Several factors contribute to their potential. First off, these value chains are well positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship.

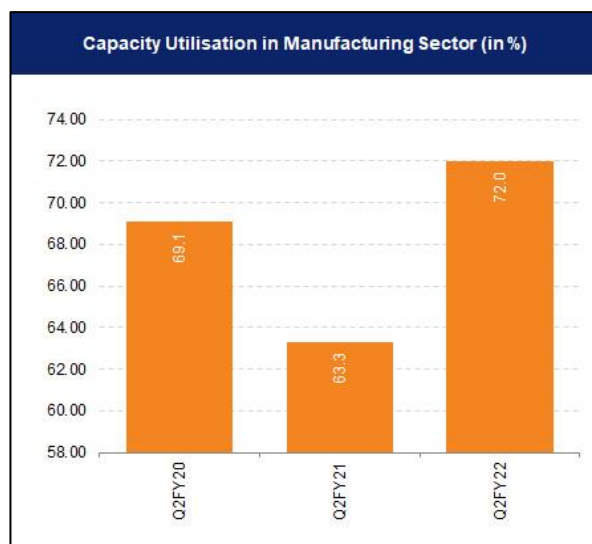
Second, they can take advantage of four market opportunities: expanding exports, localising imports, internal demand, and contract manufacturing. With digital transformation being a crucial component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry.

India is gradually progressing on the road to Industry 4.0 through the Government of India's initiatives like the National Manufacturing Policy which aims to increase the share of manufacturing in GDP to 25 percent by 2025 and the PLI scheme for manufacturing which was launched in 2022 to develop the core manufacturing sector at par with global manufacturing standards.

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by 2022.



## Market Size



Manufacturing exports have registered highest ever annual exports of US\$ 447.46 billion with 6.03% growth during FY23 surpassing the previous year (FY22) record exports of US\$ 422 billion. By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%.

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22. The manufacturing GVA at current prices was estimated at US\$ 77.47 billion in the third quarter of FY22 and has contributed around 16.3% to the nominal GVA of during the past ten years. India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy. As per the economic survey reports, estimated employment in manufacturing sector in India was 5.7 crore in 2017-18, 6.12 crore in 2018-19 which was further increased to 6.24 crore in 2019-20. India's display panel market is estimated to grow from ~US\$ 7 billion in 2021 to US\$ 15 billion in 2025. As per the survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI), capacity utilisation in India's manufacturing sector stood at 72.0% in the second quarter of FY22, indicating significant recovery in the sector.

## **Investment**

Some of the major investments and developments in this sector in the recent past are:

- According to Department for Promotion of Industry and Internal Trade (DPIIT), India received a total foreign direct investment (FDI) inflow of US\$ 58.77 billion in FY22.
- Between April 2000-September 2022:
  - ✓ The automobile sector received FDI inflows of US\$ 33,774 million.
  - ✓ The chemical manufacturing sector (excluding fertilisers) received FDI inflows worth US\$ 20,759 million.
  - ✓ The drug and pharmaceutical manufacturing sector received FDI inflows worth US\$ 20,104 million.
  - ✓ The Food Processing Industries received FDI inflows worth US\$ 11,514 million.
- The combined index of eight core industries stood at 144.6 for Apr-Feb 2023 against 134.1 for Apr-Feb 2022.
- The Index of Industrial (Production IIP) from April-February 2023 stood at 137.1.
- In FY23, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 55.6.
- In FY23 (until September 2022), export of top 10 major commodities (Engineering goods, Petroleum products, Gems and Jewellery, Organic and Inorganic chemicals, Drugs and Pharmaceuticals, Electronic goods, RMG of all Textiles, Cotton Yarn/Fabs./Madeups, Rice, Plastic and Linoleum) stood at US\$ 187.2 billion.
- In FY23 (until February 2023), EPFO added 131 lakh net subscribers. The Employees' Provident Fund Organisation (EPFO) added 1,396,185 in February 2023.
- In October 2021, information technology major Zoho, announced that it will invest Rs. 50–100 crore (US\$ 6.7-13.4 million) and form a new company, that will focus on research and development (R&D) in the manufacturing sector.

- In August 2021, Wistron Corp. collaborated with India's Optimus Electronics to manufacture products such as laptops and smartphones, giving a major boost to the 'Make in India' initiative and electronics manufacturing in the country.
- In April 2021, Samsung started manufacturing mobile display panels at its Noida plant and plans to ramp up manufacturing IT display panels soon.
- Samsung Display Noida, which has invested Rs. 4,825 crore (US\$ 650.42 million) to move its mobile and IT display manufacturing plant from China to Uttar Pradesh, has received special incentives from the state government.
- In April 2021, Bharti Enterprises Ltd. and Dixon Technologies (India) Ltd., formed a joint venture to take advantage of the government's PLI scheme for the manufacturing of telecom and networking products.

### Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- In the Union Budget 2023-24:
  - ✓ Startups incorporated within a time-period and meeting other conditions can deduct up to 100% of their profits; the end of this period has been extended from March 31, 2023 to March 31, 2024. In addition, the period within which losses of startups may be carried forward has been extended from seven to ten years.
  - ✓ As per the Union Budget 2023 – 23, the income tax rate for new co-operative societies engaged in manufacturing activities has been lowered from 22% to 15% (plus 10% surcharge).
  - ✓ The upper limit on turnover for MSMEs to be eligible for presumptive taxation has been raised from Rs. 2 crore (US\$ 2,43,044) to Rs. 3 crore (US\$ 3,64,528). The upper limit on gross receipts for professionals eligible for presumptive taxation has been raised from Rs. 50 lakh (US\$ 60,754) to Rs. 75 lakh (US\$ 91,132).
  - ✓ Expenditure on fertilizer subsidy is estimated at Rs. 1,75,100 crore (US\$ 21.2 billion) in 2023-24. This is a decrease of Rs. 50,120 crore (US\$ 6.09 billion) (22.3%) from the revised estimate of 2022-23. Fertilizer subsidy for 2022-23 was increased substantially in response to a sharp increase in international prices of raw materials used in the manufacturing of fertilizers.
  - ✓ The Centre will facilitate one crore farmers to adopt natural farming. For this, 10,000 Bio-Input Resource Centres will be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.
  - ✓ To avoid cascading of taxes on blended compressed natural gas, excise duty on GST-paid compressed bio-gas contained in it has been exempted from excise duty. Customs duty exemption has been extended to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles.
  - ✓ To further deepen domestic value addition in manufacture of mobile phones, the finance minister announced relief in customs duty on import of certain parts and inputs like camera lens. The concessional duty on lithium-ion cells for batteries will continue for another year. Basic customs duty on parts of open cells of TV panels has been reduced to 2.5%. The Budget also proposes changes in the basic customs duty to rectify inversion of duty structure and encourage manufacturing of electrical kitchen chimneys.
  - ✓ Basic customs duty on seeds used in the manufacture of Lab Grown Diamonds has also been reduced.
- Ministry of Defence has set a target of achieving a turnover of US\$ 25 billion in aerospace and defence Manufacturing by 2025, which includes US\$ 5 billion exports. Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector.
- A new category of capital procurement 'Buy {Indian-IDDMM (Indigenously Designed, Developed and Manufactured)}' has been introduced in Defence Procurement Procedure (DPP)-2016.
- By 2030, the Indian government expects the electronics manufacturing sector to be worth US\$ 300 billion.
- Initiatives like Make in India, Digital India and Startup India have given the much needed thrust to the Electronics System Design and Manufacturing (ESDM) sector in India.
- Moreover, the government's endeavours such as Modified Special Incentive Scheme (M-SIPS), Electronics Manufacturing Clusters, Electronics Development Fund and National Policy on Electronics 2019 (NPE 2019) have been a huge success.
- The Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) has been notified with an aim to strengthen the value chain for the manufacturing of electronic products in India.
- In the Union Budget 2022-23:

- ✓ Ministry of Defence has been allocated Rs. 525,166 crore (US\$ 67.66 billion)
- ✓ The government allocated Rs. 2,403 crore (US\$ 315 million) for Promotion of Electronics and IT Hardware Manufacturing.
- The PLI for semiconductor manufacturing is set at Rs. 760 billion (US\$ 9.71 billion), with the goal of making India one of the world's major producers of this crucial component.
- The government approved a PLI scheme for 16 plants for key starting materials (KSMs)/drug intermediates and active pharmaceutical ingredients (APIs). The establishment of these 16 plants would result in a total investment of Rs. 348.70 crore (US\$ 47.01 million) and generation of ~3,042 jobs. The commercial development of these plants is expected to begin by April 2023.
- In September 2022, the National Logistics Policy was launched by Prime Minister Mr. Narendra Modi which ensures quick last mile delivery, end transport-related challenges.
- In November 2021, the Experts' Advisory Committee (EAC) of the Department for Promotion of Industry and Internal Trade approved Rs. 3 crore (US\$ 403,293.54) for the Atal Incubation Centre (AIC), Pondicherry Engineering College Foundation (PECF), under the Start-up India Seed Fund scheme.
- In September 2021, Prime Minister Mr. Narendra Modi approved the production-linked incentive (PLI) scheme in the textiles sector—for man-made fibre (MMF) apparel, MMF fabrics and 10 segments/products of technical textiles—at an estimated outlay of Rs. 10,683 crore (US\$ 1.45 billion).
- India outlines a plan in August 2021 to reach its goal of US\$ 1 trillion in manufactured goods exports.
- In July 2021, the government launched six technology innovation platforms to develop technologies and thereby, boost the manufacturing sector in India to compete globally.
- To propagate Make in India, in July 2021, the Defence Ministry issued a tender of Rs. 50,000 crore (US\$ 6.7 billion) for building six conventional submarines under Project-75 India.
- In May 2021, the government approved a PLI scheme worth Rs. 18,000 crore (US\$ 2.47 billion) for production of advanced chemical cell (ACC) batteries; this is expected to attract investments worth Rs. 45,000 crore (US\$ 6.18 billion) in the country, and further boost capacity in core component technology and make India a clean energy global hub.
- In India, the market for grain-oriented electrical steel sheet manufacturing is witnessing high demand from power transformer producers, due to the rising demand for electric power and increasing adoption of renewable energy in the country.
- The Mega Investment Textiles Parks (MITRA) scheme to build world-class infrastructure will enable global industry champions to be created, benefiting from economies of scale and agglomeration. Seven Textile Parks will be established over three years.
- The government proposed to make significant investments in the construction of modern fishing harbours and fish landing centres, covering five major fishing harbours in Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat, along with a multipurpose Seaweed Park in Tamil Nadu. These initiatives are expected to improve exports from the textiles and marine sectors.
- The 'Operation Green' scheme of the Ministry of the Food Processing Industry, which was limited to onions, potatoes and tomatoes, has been expanded to 22 perishable products to encourage exports from the agricultural sector. This will facilitate infrastructure projects for horticulture products.

### **Road Ahead**

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors. The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US\$ 100 billion by 2025 through policy interventions.

One of the initiatives by the Government of India's Ministry for Heavy Industries & Public Enterprises is SAMARTH Udyog Bharat 4.0, or SAMARTH Advanced Manufacturing and Rapid Transformation Hubs. This is expected to increase competitiveness of the manufacturing sector in the capital goods market. With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

(Source: <https://www.ibef.org/industry/manufacturing-sector-india> )

## GLOBAL PACKAGING INDUSTRY

The size of the global packaging industry will increase almost 170.61 billion between 2021-2025, accelerating at a CAGR of 4% during the forecast period. This growth in market size will be attributed to massive demand from the e-commerce transport and shipment, food and beverage, personal care, household care, and healthcare industries for convenience-based packaging. Consumers prefer packaging which requires minimum time and effort to open, carry, and store such as zippers reclosure, tear notches, peel-off lids, hang hole features, and microwavable pouches. These demands have led the packaging market vendors to focus on new packaging designs such as metalized flexible packaging or redesign the existing packaging to offer higher convenience and portability and driving the global packaging market growth.



The introduction of bio-degradable plastics will be one of the critical packaging market trends during the upcoming years. The rising environmental concerns and the stringent government regulations for monitoring the use of plastics are forcing end-users to shift towards biodegradable packaging. Another significant packaging market trend quickly gaining momentum is the development of new lightweight glass packaging to enhance end-user usability and reduce wastage. These packaging designs are recyclable, cost-effective and easy to transport, propelling manufacturers to produce water-resistant and eco-friendly corrugated box packaging solutions.

With the growing focus on sustainability, traditional rigid packaging solutions are being replaced by innovative flexible packaging products like bioplastics. Furthermore, stringent government regulations for monitoring the use of plastics are forcing end-users to shift towards biodegradable packaging.

The demand for aseptic packaging is increasing in the food industry, especially in APAC due to the growth of the dairy market. Rising incomes, rapid urbanization, and the increasing awareness of the health benefits of dairy products will further boost the demand for dairy products.

Focus on protective packaging choices has led to the development of innovative products that occupy less space and offer efficient performance. For instance, Ecoliner is an eco-friendly product made by IPC consisting of ultra-insulating recycled cotton that is packed in by environment-friendly plastic liners.

Extensive usage of plastic sacks is driving the industrial packaging market growth. Packaging sacks are durable, lightweight, flexible, need low handling and carrying costs and are being increasingly used for packaging products such as chemical, food, and fertilizers.

High recycling capacity of glass will be one of the significant factors that will have a positive impact on the glass packaging market. Unlike, plastics and other packaging materials, glass is made from natural materials, leading to a high recycling rate which also ensures significant savings on raw material.

Growing demand for aerosol containers and metal packaging for alcoholic beverages, particularly for metal cans, are the primary growth drivers for the global metal packaging market.

(Source: <https://analysis.technavio.org/packaging-industry-analysis-research>)

## INDIAN PACKAGING INDUSTRY

The India Packaging Market was valued at USD 50.5 billion in 2019, and it is expected to reach USD 204.81 billion by 2025, registering a CAGR of 26.7% during the period of 2020-2025. Packaging is among the high growth industries in India and developing @ 22-25% per annum and becoming a preferred hub for packaging industry. Currently the 5th largest sector of India's economy, the industry has reported steady growth over past several years and shows high potential for much expansion, particularly in the export market. Costs of processing and packaging food can be up to 40% lower than parts of Europe which, combined with India's resources of skilled labour, make it an attractive venue for investment. A high degree of potential exists for almost all user segments which are expanding appreciably - processed foods, hard and soft drinks, fruit and marine products.

The Indian packaging industry has made a mark with its exports that comprise flattened cans, printed sheets and components, crown cork, lug caps, plastic film laminates, craft paper, paper board and packaging machinery, while the

imports include tinfoil, coating and lining compounds and others. In India, the fastest growing packaging segments are laminates and flexible packaging, especially PET and woven sacks. Over the last few years Packaging Industry is an important sector driving technology and innovation growth in the country and adding value to the various manufacturing sectors including agriculture and FMCG segments.

The global packaging industry is developing and expanding day by day and Indian packaging industry is also growing rapidly. This growth is primarily driven by factors like growing pharmaceutical, food processing, manufacturing industry, FMCG, healthcare sector and ancillary in the emerging economies like China, India, Brazil, Russia and few other East European countries.

### Trends

With advancement in technology and general awareness, the packaging sector in India is well poised as most of the raw materials for packaging are abundantly available in the country. Moreover, the per capita spending has increased tremendously, leading to changing rural markets and a growing middle class who demand the best of products. Various upgraded technologies are being used in industry such as aseptic packaging, retort packaging and biodegradable packaging to enhance the life of food product. Moreover, the plastic packaging market is expanding rapidly registering a growth of 20-25 per cent per annum and is valued at 6.8 million tons while the paper packaging industry stands at 7.6 million tons. The packaging industry is poised to grow rapidly led by the increasing use of innovative packaging equipment and the rising flexible packaging market.



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In terms of packaging, the food packaging industry is one growth area that has seen the maximum number of innovations in terms of packaging and branding. Consumers want their food products to be hygienic, safe and at the same time to look attractive. When it comes to food packaging, MNCs have a very good ecosystem. They have a dedicated R&D house, which conducts various research-based experiments using the latest technologies, and are always innovating to ensure that the consumer is benefited. This development has led to healthy competition between our local manufacturers to deliver innovative products, and as a result, the entire ecosystem is gearing up for the change. Likewise, local manufacturers are now importing state-of-the-art machinery to ensure that the packaging is of the highest standards. If trends are anything to go by – seeing is believing! Consumers who have attended any packaging event of late would be able to identify with the above scenario. Packaging machines for labeling, bar coding and scanning, to metal and plastic packaging – every contraption is now available to local manufacturers.

However, at this stage, the industry is eagerly looking forward to the government machinery, which they hope will support them by implementing effective policies that will help them to compete on the international arena. This is where PIAI will play an active role in resolving the issues faced by the packaging industry.

(Source: <https://piai.org/packaging-sector.php>)

## GLOBAL PHARMACEUTICAL INDUSTRY

The trillion-dollar question for the bio/pharma industry is how will the industry perform in the near-term. A newly analysis issued this week (January 17, 2024) by the IQVIA Institute for Human Data Science shows market fundamentals trending in a positive direction and improving over recent forecasts. Global spending and demand for medicines is projected to increase over the next five years to approximately \$2.3 trillion by 2028 (based on list price levels), representing a compound annual growth rate (CAGR) of 5–8% CAGR through 2028, a growth rate raised by 2 percentage points compared to previous forecasts. The higher growth expectations come despite lower expectations for COVID-19 vaccines and therapeutics, which had been a major boon for the industry. COVID-19 continues to have an impact on pharmaceutical markets globally, but at a level much lower than previously estimated. The lower level of vaccinations seen to date and expected through 2028 have resulted in a \$200-billion reduction in the eight-year cumulative spending estimates. Despite this decline, overall, global use and spending on medicines is exceeding pre-pandemic growth rates and is expected to continue significantly above these trends through 2028, according to the IQVIA Institute’s analysis.

In the US and the EU4 (France, Italy, Germany, and Spain) and the UK, list-price growth is projected at 6-9% and 4-7%, respectively while historic data suggest net payer spending will be about 2-5% for both, according to the IQVIA Institute’s analysis. Spending and volume growth will follow diverging trends by region. The US market, on a net price basis, is forecast to grow 2-5% CAGR through 2028, an upward adjustment from the prior five-year forecast (through 2027) of -1–2% CAGR. This reflects the improved outlook for novel medicines and the expected early impact from the Inflation Reduction Act, legislation in the US that included drug pricing reforms. Spending in the five major European countries (France, Italy, Germany, Spain and the UK) is expected to increase by \$70 billion through 2028, driven by new brands.

Latin America, Eastern Europe, and countries in Asia are expected to return to steady growth, outpacing the global market. Japan spending growth is projected to grow -1 to 2% through 2028 as brand growth is offset by a shift to annual price cuts, according to the IQVIA Institute's analysis.

**Drug development: growth trends in therapeutic sectors and product segments**  
In looking at growth in key therapy areas, oncology and obesity lead growth while immunology spending has slowed due to biosimilar availability and uptake, according to the IQVIA Institute's analysis. Many other classes will grow in mid-single digits. Demand for innovative oncology drugs will drive spending in this area to about \$440 billion by 2028, more than double the current level, as broader and longer use of therapies, including 100 new drugs expected to be launched during that time. Global obesity spending is projected to grow 24-27% CAGR, reaching \$74 billion in 2028 – up from \$24 billion in 2023 – with some scenarios resulting in much higher or lower spending based on countries' reimbursement decisions, which are evolving rapidly. Immunology growth will slow significantly to 2-5% through 2028 with the arrival of new biosimilars despite robust volume growth. New therapies in rare neurological disorders, Alzheimer's and migraine are expected to drive spending growth in neurology, according to the IQVIA's Institute's analysis.

Another key trend is the continued rise of biologic-based medicines and specialty medicines. Biotech-based drugs will represent 39% of medicines spending globally through 2028, according to the IQVIA Institute's analysis, reflecting growth in traditional biotherapeutics, breakthrough cell and gene therapies, as well as a maturing biosimilar segment. The spending on global biotech is expected to exceed \$892 billion by 2028, with growth slowing to 9.5-12.5% from biosimilar savings. The outlook for next-generation biotherapeutics includes significantly uncertain clinical and commercial successes. Cell and gene therapies register high growth rates driven by wider usage and as many as 50 new therapies over the next five years, but are projected to represent only 1.5% of global spending in 2028, according to the IQVIA Institute's analysis.

Specialty medicines, as defined by the IQVIA Institute, as those medicines that treat chronic, complex, or rare diseases and possess additional distribution, care delivery, and/or cost characteristics, which require special management by stakeholders, are expected to see continued strong growth. Specialty medicines are projected to represent about 43% of global spending in 2028 and 55% of total spending in leading developed markets.

**Manufacturing and supply: what's trending now and in the future**  
During the pandemic and post-pandemic, improving supply-chain resiliency and security of supply of critical medicines became a key policy focus in both the US and Europe, and momentum continues to trend to more concrete action in this area. In the European Union (EU), the European Commission launched this week (January 16, 2024) a new initiative, the Critical Medicines Alliance, a consultative mechanism charged with developing recommendations and providing advice to the European Commission, EU member states, and other EU decision-makers on how to address long-standing medicines shortages.

The launch of the Critical Medicines Alliance builds on other recent action by EU authorities. Last month (December 2023), the European Medicines Agency published the first version of a list of critical medicines for the EU/European Economic Area (i.e. "the Union list"), which contains more than 200 active substances of medicines considered critical for healthcare systems across the EU/European Economic Area, for which continuity of supply is a priority and for which shortages should be avoided. The list contains active substances of innovator and generic drugs covering a wide range of therapeutic areas and includes vaccines and medicines for rare diseases. It reflects the outcome of a review of 600 active substances taken from six national lists of critical medicines. The list will be expanded in 2024 and will then be updated every year.

The Critical Medicines Alliance will work on a subset of active substances on the Union list before tackling the rest of the list by pooling the expertise and resources of its members to determine how vulnerabilities in the supply chains could be best addressed. A pilot by the European Commission will first analyze the vulnerabilities in the supply chains of an initial set of 10-20 substances from the Union list of critical medicines. The Alliance's efforts will initially focus on the outcomes of this analysis, expected to be published in April 2024. Once the pilot exercise is finalized, the European Commission will proceed with evaluating the remaining medicines in the Union list. It will then recommend priority actions for the near future and propose new tools to address the challenges it has identified. In particular, the recommendations will focus on mitigating structural risks, reinforcing supply by making demand more predictable, encouraging diversification, and boosting manufacturing.

The US is also pursuing policy and action to address the drug supply chain. In November (November 2023), President Joe Biden convened the inaugural meeting of the White House Council on Supply Chain Resilience, a cross-industry and government initiative to address the supply-chain challenges and vulnerabilities exposed during and post-pandemic and ways to strengthen US-based manufacturing and its supply chains. In all, the Biden Administration outlined 30 new actions to strengthen US supply chains and secure key sectors, which includes steps through the Defense Production Act to support US-based domestic manufacturing of essential medicines, new data collaboration to spot supply-chain risks sooner, and transportation and logistics initiatives to ensure the continued flow of supply chains. The implementation of these measures will be a key item to watch for in 2024.

Also on the horizon is how new technology, such on artificial intelligence (AI), will factor into drug manufacturing. Last March (March 2023), the US Food and Drug Administration (FDA) published a discussion paper, Artificial Intelligence in Drug Manufacturing, to outline areas for consideration and policy development identified by scientific and policy experts of the FDA's Center for Drug Evaluation and Research (CDER) for the application of AI in pharmaceutical manufacturing. The discussion paper included a series of questions to stimulate feedback from the public, including CDER and the Center for Biologics Evaluation and Research (CBER) stakeholders.

The discussion paper is part of a larger effort by the FDA in facilitating advanced manufacturing, a term that describes an innovative pharmaceutical manufacturing technology or approach that has the potential to improve the reliability and robustness of the manufacturing process and resilience of the supply chain. Advanced manufacturing can: integrate novel technological approaches, use established techniques in an innovative way, or apply production methods in a new domain where there are no defined best practices. Advanced manufacturing can be used for new or currently marketed large- or small-molecule drug products.

The FDA's discussion paper outlined four key areas in which AI in drug manufacturing has the potential to be applied: process design and scale-up; advanced process control; process monitoring and fault detection; and manufacturing trend monitoring.

In looking at these potential uses, the FDA, in its discussion paper, raised five key issues to be considered from both a regulatory and user perspective and asked for input from the industry and other stakeholders. These areas include: data integrity and data quality in cloud applications; the Internet of Things (IOT) and data-management practices; regulatory oversight of AI required in new drug or biologics license applications; process control and release testing; and real-time data in AI-based machine learning. The FDA extended the time for providing input on its discussion paper to November 2023.

The agency continues to address how AI in drug manufacturing may be used and regulated. Last September (September 2023), the FDA and the Product Quality Research Institute (PQRI) hosted a virtual workshop, The Regulatory Framework for the Utilization of Artificial Intelligence in Pharmaceutical Manufacturing. PQRI is a non-profit consortium of organizations working together to generate and share timely, relevant, and impactful information that advances global drug product quality, manufacturing and regulation. The workshop aimed to facilitate interaction among AI stakeholders on critical areas for development, implementation, and regulatory consideration, including uses in process development and control, operation of pharmaceutical quality systems, lifecycle approaches, and cGMP.

(Source: <https://www.dcatvci.org/features/whats-trending-on-the-industrys-radar-in-2024/>)

## INDIAN PHARMACEUTICAL INDUSTRY

### Introduction

India is the largest provider of generic drugs globally and is known for its affordable vaccines and generic medications. The Indian Pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry growing at a CAGR of 9.43% since the past nine years. Generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research & manufacturing, biosimilars, and biologics are some of the major segments of the Indian pharma industry. India has the most number of pharmaceutical manufacturing facilities that are in compliance with the US Food and Drug Administration (USFDA) and has 500 API producers that make for around 8% of the worldwide API market.

Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. India is rightfully known as the "pharmacy of the world" due to the low cost and high quality of its medicines.

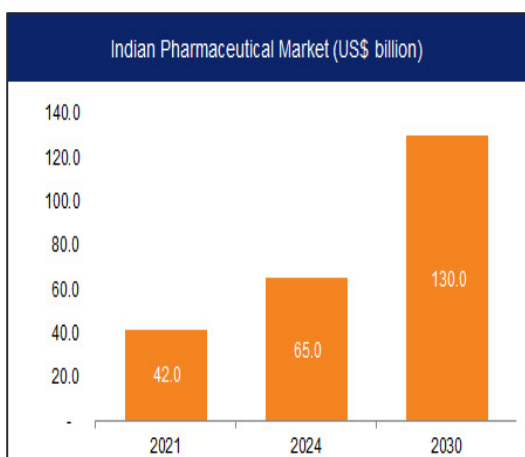
Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. The Pharmaceutical industry in India is the third largest in the world in terms of volume and 14th largest in terms of value. The Pharma sector currently contributes to around 1.72% of the country's GDP.

According to a recent EY FICCI report, as there has been a growing consensus over providing new innovative therapies to patients, Indian pharmaceutical market is estimated to touch US\$ 130 billion in value by the end of 2030. Meanwhile, the global market size of pharmaceutical products is estimated to cross over the US\$ 1 trillion mark in 2023.

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### Market Size





Market size of India pharmaceuticals industry is expected to reach US\$ 65 billion by 2024, and ~US\$ 130 billion by 2030. According to the government data, the Indian pharmaceutical industry is worth approximately US\$ 50 billion with over US\$ 25 billion of the value coming from exports. About 20% of the global exports in generic drugs are met by India.

India is among the top 12 destinations for biotechnology worldwide and 3rd largest destination for biotechnology in Asia Pacific. In 2022, India's Biotechnology industry crossed US\$ 80.12 billion, growing 14% from the previous year.

During FY18 to FY23, the Indian pharmaceutical industry logged a compound annual growth rate (CAGR) of 6-8%, primarily driven by an 8% increase in exports and a 6% rise in the domestic market.

The domestic pharmaceutical industry would likely reach US\$ 57 billion by FY25 and see an increase in operating margins of 100-150

basis points (bps).

The Indian pharmaceutical industry has seen a massive expansion over the last few years and is expected to reach about 13% of the size of the global pharma market while enhancing its quality, affordability, and innovation.

The biosimilars market in India is estimated to grow at a compounded annual growth rate (CAGR) of 22% to become US\$ 12 billion by 2025. This would represent almost 20% of the total pharmaceutical market in India.

India is the 3rd largest producer of API accounting for an 8% share of the Global API Industry. About 500+ different APIs are manufactured in India, and it contributes 57% of APIs to prequalified list of the WHO.

The current market size of the medical devices sector in India is estimated to be US\$ 11 billion and its share in the global medical device market is estimated to be 1.5%.

Indian pharma companies have a substantial share in the prescription market in the US and EU. The largest number of FDA-approved plants outside the US is in India.

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market stood at US\$ 42 billion in 2021 and is likely to reach US\$ 65 billion by 2024 and further expand to reach US\$ 120-130 billion by 2030. India's biotechnology industry comprises biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US\$ 70.2 billion in 2020 and is expected to reach US\$ 150 billion by 2025. India's medical devices market stood at US\$ 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US\$ 50 billion. As of August 2021, CARE Ratings expect India's pharmaceutical business to develop at an annual rate of ~11% over the next two years to reach more than US\$ 60 billion in value.

In the global pharmaceuticals sector, India is a significant and rising player. India is the world's largest supplier of generic medications, accounting for 20% of the worldwide supply by volume and supplying about 60% of the global vaccination demand. The Indian pharmaceutical sector is worth US\$ 42 billion worldwide. In August 2021, the Indian pharmaceutical market increased at 17.7% annually, up from 13.7% in July 2020. According to India Ratings & Research, the Indian pharmaceutical market revenue is expected to be over 12% Y-o-Y in FY22.

## Exports

Pharmaceutical is one of the top ten attractive sectors for foreign investment in India. The pharmaceutical exports from India reach more than 200 nations around the world, including highly regulated markets of the USA, West Europe, Japan, and Australia. India supplied around 45 tonnes and 400 million tablets of hydroxychloroquine to around 114 countries globally.

India's drugs and pharmaceuticals exports stood at Rs. 2,08,231 crore (US\$ 25.3 billion) for FY23, as per the data by Pharmexcil.

India's exports of Drugs & Pharmaceuticals stood at US\$ 6.59 billion during April-June 2023.

Exports of Drugs & Pharmaceuticals was estimated to be at US\$ 2.48 billion in March, 2023 and shared 6.47% of the total exports of the month.

India is the 12th largest exporter of medical goods in the world. Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. Indian drug & pharmaceutical exports stood at US\$ 24.60 billion in FY22 and US\$ 24.44 billion in FY21. Indian drug & pharmaceutical exports stood at US\$ 2.19 billion in September 2022.

## Investments And Recent Developments

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. India ranks third worldwide for production by volume and 14th by value.

In this regard the sector has seen a lot of investments and developments in the recent past.



- Up to 100%, FDI has been allowed through automatic route for Greenfield pharmaceuticals projects. For Brownfield pharmaceuticals projects, FDI allowed is up to 74% through automatic route and beyond that through government approval.
- The FDI inflows in the Indian drugs and pharmaceuticals sector reached US\$ 21.46 billion between April 2000-March 2023. This constitutes almost 3.38% of the total FDI inflow received across sectors.
- In August 2023, Union Minister for Labour & Employment and Environment, Forest and Climate Change Mr. Bhupender Yadav launched Chemotherapy Services in 30 ESIC Hospitals across the country.
- An MoU was signed on June 4, 2023, between the Indian Pharmacopoeia Commission (IPC), Ministry of Health & Family Welfare, Government of India and Ministry of Health, Government of Suriname for Recognition of Indian Pharmacopoeia (IP) in Suriname.
- In May 2023, the Ministry of Minority Affairs and the Ministry of Ayush joined hands to advance the Unani System of Medicine in India.
- Prime Minister Mr. Narendra Modi during his Independence Day 2023 speech said that the government has plans to increase the number of 'Jan Aushadhi Kendras' from 10,000 to 25,000.
- The Department of Pharmaceuticals will soon launch the Scheme for the Promotion of Research and Innovation in Pharma (PRIP) MedTech Sector. The scheme has been approved by the Union Cabinet for a period of five years starting from 2023-24 to 2027-28 with a total outlay of Rs. 5,000 crore (US\$ 604.5 million).
- Emcure Pharmaceuticals Limited (EPL) becomes the first ever company to launch Orofer FCM 750, a new extension of its parenteral iron brand containing Ferric carboxymaltose (FCM). The dose is suitable for the majority of Indian patients with iron deficiency and iron deficiency anemia.
- Japanese companies have been invited to invest in the Indian Pharmaceutical and Medical Device Industry. The cooperation between Pharmaceutical Traders Association and Japan Federation of Medical Devices Associations of the two countries can contribute to stabilize the global supply-chain especially of APIs and Medical Devices.
- Sun Pharmaceutical Industries Limited announced the successful completion of its acquisition of Concert Pharmaceuticals, Inc. on March 6, 2023, a late-stage clinical biopharmaceutical company that is developing deuruxolitinib, a novel, deuterated, oral JAK1/2 inhibitor, for the potential treatment of adult patients with moderate to severe alopecia areata.
- Glenmark Pharmaceuticals Ltd. (Glenmark), an innovation-driven, global pharmaceutical company, is the first to launch a unique I.V. injection formulation, Akynzeo I.V., in India for the prevention of chemotherapy-induced nausea and vomiting (CINV), under an exclusive licensing agreement with Helsinn, a Swiss biopharma group company.
- Entod Pharmaceuticals launched its new ocular aesthetic range focused on improving eye comfort and enhancing the aesthetics of the eyes.
- BDR Pharmaceutical launched the first generic apalutamide (brand name Apatide) in India to treat both metastatic castration sensitive prostate cancer as well as non-metastatic castration resistant prostate cancer. The product will be available across India.
- Anglo French Drugs & Industries Limited (AFDIL), a 99-year-old organization in the pharmaceutical sector, announced that it has entered into the fertility space with the launch of the LYBER range.
- Eli Lilly introduces Ramiven in India, for certain high-risk early breast cancer patients in November 2022.
- ICPA Health Products Ltd (ICPA), a leading pharma company in the oral healthcare segment, launched its latest product – Heximetro at the annual conference of the Indian Society of Periodontology (ISP) in November 2022.
- The FDI inflows in the Indian drugs and pharmaceuticals sector reached US\$ 19.90 billion between April 2000-June 2022.
- The Indian drugs and pharmaceuticals sector received cumulative FDI's worth US\$ 19.41 billion between April 2000-March 2022.
- The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector reached US\$ 1,414 million between in FY 2021-22.
- The Indian pharmaceutical industry generated a trade surplus of US\$ 15.81 billion in FY22.
- Medical Device industry is expected to reach US\$ 50 billion by 2030 growing at a CAGR of 15%.
- In November 2022, Sun Pharma and SPARC entered into a license agreement for commercialization of phenobarbital for injection in the US.
- Glenmark becomes the First Company in India to launch Teneligliptin + Dapagliflozin Fixed Dose Combination in October 2022.
- In October 2022, Lupin signed an agreement to acquire two inhalation brands from Sunovion Pharmaceuticals Inc.
- Dr. Reddy's Laboratories announced the launch of Lenalidomide Capsules in the U.S. with two of six strengths eligible for first-to-market, 180-day exclusivity in September 2022.

- In June 2022, Cipla partnered with Drugs for Neglected Diseases initiative (DNDi) to announce the launch of a 4-in-1 antiretroviral treatment for children living with HIV in South Africa.
- Glenmark becomes the first pharmaceutical company to launch Indacaterol + Mometasone fixed-Dose combination drug for Asthma in India.
- In May 2022, Sun Pharmaceutical Industries Limited through one of its wholly owned subsidiaries plans to launch Bempedoic Acid under the brand name Brillo, in India for reducing low-density lipoprotein (LDL) cholesterol.
- In May 2022, Dr. Reddy's Laboratories enters into exclusive partnership with HK inno.N Corporation to commercialise novel molecule Tegoprazan in India & select emerging markets.
- In April 2022, Dr Reddy's Laboratories Ltd. inked a pact with MediCane Health to announce the launch of medical cannabis products in Germany.
- The Union Cabinet have its nod for the amendment of existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100% under the automatic route for manufacturing of medical devices subject to certain conditions.
- In March 2022, Themis Medicare Ltd. (Themis), announced the approval of its antiviral drug VIRALEX by the Drug Controller General of India (DCGI).
- The National Digital Health Blueprint has the potential to generate nearly US\$ 200 billion in added economic value for India's healthcare industry over the next 10 years.
- In October 2021, AstraZeneca India launched a Clinical Data and Insights (CDI) division to further strengthen its global presence and manage data-related aspects of its clinical trials.
- In September 2021, the Indian government contributed US\$ 4 billion to the pharmaceutical and medical industries.
- In August 2021, Uniza Group, an Ahmedabad-based pharmaceutical firm, signed an agreement with Lysulin Inc. (an US-based firm) to introduce Lysulin, a nutritional product for Indian consumers.
- In May 2021, Indian Immunologicals Ltd. (IIL) and Bharat Immunologicals and Biologicals Corporation (BIBCOL) inked technology transfer pacts with Bharat Biotech to develop the vaccine locally to boost India's vaccination drive. The two PSUs plan to start production of vaccines by September 2021.

## Government Initiatives

Some of the initiatives taken by the Government to promote the pharmaceutical sector in India are as follows:

- As per the Union Budget 2023-24:
  - A mission to eliminate sickle cell anemia by 2047 will be launched. It would involve raising awareness, conducting a comprehensive screening of seven crore individuals in the impacted tribal regions between the ages of 0 and 40, and providing counselling through coordinated efforts.
  - For innovation in the pharmaceutical sector, through centres of excellence, a new initiative to encourage pharmaceutical research and innovation will be implemented. The government persuades business to spend money on R&D in a few chosen priority fields. At the grassroots level, government has also announced on building 157 nursing colleges in co-location with government medical colleges.
- The Union Cabinet, on April 26, 2023, approved the National Medical Devices Policy, 2023. The National Medical Devices Policy, 2023 is expected to facilitate an orderly growth of the medical device sector to meet the public health objectives of access, affordability, quality and innovation.
- Ayushman Bharat Digital Mission (ABDM):
  - Under the ABDM, citizens will be able to create their ABHA (Ayushman Bharat Health Account) numbers, to which their digital health records can be linked. This will enable creation of longitudinal health records for individuals across various healthcare providers and improve clinical decision making by healthcare providers.
  - The pilot of ABDM is completed in the six Union Territories of Ladakh, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Puducherry, Andaman and Nicobar Islands and Lakshadweep with successful demonstration of technology platform developed by the NHA.
- During the pilot, digital sandbox was created in which more than 774 partner solutions are undergoing integration. As of September 4, 2023, 450,164,619 Ayushman Bharat Health Accounts have been created and 224,967 doctors and 218,602 health facilities have been registered in ABDM.
- Scheme for Development of Pharma industry – Umbrella Scheme:
  - The Department of Pharmaceuticals has prepared an Umbrella Scheme namely 'Scheme for Development of Pharma industry'. Which comprises of the following sub schemes:
    - Assistance to Bulk Drug Industry for Common Facilitation Centres
    - Assistance to Medical Device Industry for Common Facilitation Centres
    - Assistance to Pharmaceutical Industry (CDP-PS)
    - Pharmaceutical Promotion and Development Scheme (PPDS)

- Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)
- As per the Union Budget 2022-23:
  - Rs. 3,201 crore (US\$ 419.2 million) has been set aside for research and Rs. 83,000 crore (US\$ 10.86 billion) has been allocated for the Ministry of Health and Family Welfare.
  - Rs. 37,000 crore (US\$ 4.83 billion) has been allocated to the 'National Health Mission'.
  - Rs. 10,000 crore (US\$ 1.28 billion) has been allocated to Pradhan Mantri Swasthya Suraksha Yojana.
  - The Ministry of AYUSH has been allocated Rs. 3,050 crore (US\$ 399.4 million), up from Rs. 2,970 crore (US\$ 389 million).
- In March 2022, under the Strengthening of Pharmaceutical Industry (SPI) Scheme, a total financial outlay of Rs. 500 crore (US\$ 665.5 million) for the period FY22 to FY26 were announced.
- India could restart deliveries of COVID-19 shots to global vaccine-sharing platform COVAX in November-December 2021 for the first time since April 2021. The World Health Organization (WHO), which co-leads COVAX, has been pushing India to resume supplies for the programme, particularly after it sent ~4 million doses to neighbours and allies in October 2021.
- In November 2021, PM Mr. Narendra Modi inaugurated the first Global Innovation Summit of the pharmaceuticals sector. The summit will have 12 sessions and over 40 national and international speakers deliberating on a range of subjects including regulatory environment, funding for innovation, industry-academia collaboration and innovation infrastructure.
- In August 2021, Union Health Minister, Mr. Mansukh Mandaviya announced that an additional number of pharmaceutical companies in India are expected to commence manufacturing of anti-coronavirus vaccines by October-November 2021. This move is expected to further boost the vaccination drive across the country.
- In June 2021, Finance Minister Ms. Nirmala Sitharaman announced an additional outlay of Rs. 197,000 crore (US\$ 26,578.3 million) that will be utilised over five years for the pharmaceutical PLI scheme in 13 key sectors such as active pharmaceutical ingredients, drug intermediaries and key starting materials.
- To achieve self-reliance and minimise import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of Rs. 6,940 crore (US\$ 951.27 million) from FY21 to FY30.
- In May 2021, under Atmanirbhar Bharat 3.0, Mission COVID Suraksha was announced by the Government of India to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous production of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach >10 crore doses per month by September 2021.

## Road Ahead

The pharmaceutical industry in India is a significant part of the nation's foreign trade and offers lucrative potential for investors. Millions of people around the world receive affordable and inexpensive generic medications from India, which also runs a sizable number of plants that adhere to Good Manufacturing Practices (GMP) standards set by the World Health Organization (WHO) and the United States Food and Drug Administration (USFDA). Among nations that produce pharmaceuticals, India has long held the top spot. Medicine spending in India is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise. The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. The National Health Protection Scheme, which aims to offer universal healthcare, the ageing population, the rise in chronic diseases, and other government programmes, including the opening of pharmacies that offer inexpensive generic medications, should all contribute to boost the Indian pharmaceutical industry. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.



(Source: <https://www.ibef.org/industry/pharmaceutical-india> )

## OUR BUSINESS

*This chapter should be read in conjunction with, and is qualified in its entirety, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “Risk Factors” and chapters titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 23, 163 and 167 respectively, of this Draft Prospectus.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for the period ended December 31, 2023 and Financial Years ended on March 31, 2023, 2022 and 2021 included in this Draft Prospectus. For further information, see “Restated Financial Statements” beginning on page 163 of this Draft Prospectus.*

### OVERVIEW

Our Company was originally formed as a Limited Liability partnership (“LLP”) under the name and style of “GSM Foils LLP” pursuant to a Certificate of incorporation issued by Registrar of Companies, Central Registration Centre, dated April 05, 2019 with LLP registration number being AAO-7932. GSM Foils LLP was thereafter converted into a Private Limited Company “GSM Foils Private Limited” pursuant to the provisions of Chapter XXI of the Companies Act, 2013 and fresh a certificate of incorporation dated June 27, 2023 was issued by Registrar of Companies, Central Registration Centre. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to “GSM Foils Limited” pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on July 14, 2023 and a fresh Certificate of incorporation dated September 04 2023 issued by the Registrar of Companies, Mumbai.

Our Company, GSM Foils Limited is engaged in the business of manufacturing Blister Foils and Aluminium Pharma Foils (also known as “Strip Foils”) which is used in packing of pharmaceutical medicines which includes capsules and tablets both. This is a primary packaging material which comes in direct contact with the medicine, hence, utmost care is taken with regards to its quality. Over the past few years, we have acquired definite know how in different types of foils used in pharmaceuticals companies. We offer Aluminium foils in different sizes, shapes and thickness to meet diverse needs of our clients. The range of our products includes plain and printed aluminium foils and strip foils along with alu alu base foils and it ranges from 0.020/ 0.025/ 0.030/ 0.040 micron for coated /p/loy laminated/ blister/ strip printed foils.

Aluminium Foil or Strip Foils are one of the packaging options for highly sensitive pharmaceutical products that protects the medicines from oxygen, moisture, and other environmental influences. These foils are used in packaging of capsules which requires more bursting strength as they are bigger in size and is used to create a push-through closure with lid film where tablets and capsules are protected perfectly and hygienically.

Blister Foils are commonly used as unit-dose packaging for pharmaceutical tablets. Blister foils are suitable for hard packing of medical and pharmaceutical products. It is heat seal coated on the bright side and print-treat coated on the matte side the primary component of blister packs are made from “Formable” web, either plastic or aluminium, the formed cavity or pocket contains the product and the “lidding” seals the product in the package.

We are offering products which are quality tested as per industrial standards. As an ISO 9001:2015 certified company our aim is to provide products at a competitive price, therefore, we have invested in suitable manufacturing techniques and have presented a wide assortment of highly demanded products. owing to the allied support of industry recognized vendors we are able to source the inventory of raw material and produce quality products that augment our brand image. With in-house capacity of Coating, laminating and printing process, we provide our client quick and cost-effective services, which help them reduce their down time and execute their packaging line in a systematic manner.

We have developed a manufacturing facility at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East IE, Thane, Vasai, Maharashtra, India, 401208 in 7,973 Sq. feet area with ground plus 3 floors for smooth execution of all the business operations. Our manufacturing facilities are equipped with the necessary tools, machineries, other equipment’s and amenities, to support a seamless manufacturing process, hassle-free production, Quality testing, research, storage and packaging. All our machineries are periodically upgraded and lubricated with experienced personnel so as to retain production rate.

Further, all the manufactured products are kept by us in a safe and systematic manner at a sound warehousing unit in manufacturing unit itself. Linked with major shipment network, our warehousing team supports the logistics team in providing prompt delivery of orders at their premises. A team of interactive personnel keeps in touch with the clients to know their exact requirements and serves them accordingly.

Mr. Sagar Girish Bhanushali is Chairman and Whole Time Director and also the Promoter of our Company and Mr. Mohansingh L Parmar is Managing Director and also the Promoter of our Company. They have 4 years of expertise in the

production and manufacturing related activities in our own company. They actively advise us on finance, corporate strategy, and planning, and they have played a significant role in the expansion of our company. Furthermore, a group of knowledgeable staff members support our board of directors in the execution of the orders. We are confident that we will be able to capitalise on both present and future market opportunities.

Our company have PAN India presence with our clientele base in 13 states and 1 Union territory for our domestic market based on sales made for the period ended December 31, 2023, June 26, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 in states of Dadra & Nagar Haveli and Daman & Diu, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Puducherry, Sikkim, Tamil Nadu, Telangana and West Bengal.

The principal raw materials required for our manufacturing process includes Aluminium foils, LDPE FILMS, Chemicals includes-Ethyl acetate, Vinyl Powder, Acetone, MEK, Diesel, Shellac Chips. Our Company maintains a base of reliable material suppliers who consistently provide materials of appropriate dimensions as per our requirements. We usually do not enter into long-term supply contracts with any of our raw material suppliers. Our raw materials are procured in the domestic market from 11 states and 2 union territories based on purchase made for the period ended December 31, 2023, June 26, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 namely Dadra & Nagar Haveli, Delhi, Goa, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Tamil Nadu, Telangana, West Bengal.

For the period ended December 31, 2023 and June 26, 2023 and for the financial year ended March 31, 2023, 2022 and 2021, our revenue from operations was Rs. 2717.87 lakhs, Rs. 1091.66 lakhs Rs. 6588.35 lakhs, Rs. 7185.04 lakhs and Rs. 3646.23 lakhs, respectively. Our EBITDA For the period ended December 31, 2023 and June 26, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 was Rs. 202.72 lakhs, Rs. 87.22 lakhs, Rs. 283.84 lakhs, Rs. 131.58 lakhs and Rs. 72.07 lakhs, respectively, while our profit after tax for the period ended December 31, 2023 and June 26, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 Rs. 124.79 lakhs, Rs. 49.93 lakhs, Rs. 142.97 lakhs, Rs. 63.65 lakhs and Rs. 33.93 lakhs, respectively.

#### Key Performance Indicators of our Company.

(Rs. in Lakhs except percentages)

Key Financial Performance	December 30, 2023	June 26, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	2717.87	1091.66	6588.35	7185.04	3646.23
EBITDA <sup>(2)</sup>	202.72	87.22	283.84	131.58	72.07
EBITDA Margin (%) <sup>(3)</sup>	7.46%	7.99%	4.31%	1.83%	1.98%
PAT	124.79	49.93	142.97	63.65	33.93
PAT Margin (%) <sup>(4)</sup>	4.59%	4.57%	2.17%	0.89%	0.93%
Return on equity (%) <sup>(5)</sup>	23.62	5.66	19.13	9.67	5.30
Return on capital employed (%) <sup>(6)</sup>	1.60	0.09	0.34	0.20	0.11
Debt-Equity Ratio (times) <sup>(7)</sup>	11.13	0.23	0.29	0.33	-
Current Ratio (times) <sup>(8)</sup>	1.03	3.23	2.74	3.56	10.83
Net profit ratio <sup>(9)</sup>	4.59	4.57	2.17	0.89	0.93

As certified by M/s A Y & Company, Chartered Accountants, through their certificate dated March 22, 2024.

#### Notes:

- 10) Revenue from operation means revenue from sale of our products
- 11) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs
- 12) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- 13) PAT Margin is calculated as PAT for the period/year divided by revenue from operations
- 14) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity
- 15) Return on Capital Employed is calculated as follows: Profit before tax + Finance Costs – Other Income (EBIT) divided by (Tangible Net Worth + Total Debt + Deferred Tax Liabilities)
- 16) Debt to Equity ratio is calculated as Total Debt divided by equity
- 17) Current Ratio is calculated by dividing Current Assets to Current Liabilities
- 18) Net profit ratio is calculated by dividing Net Profit to Revenue from Operations

#### Explanation for KPI metrics

Key Financial Performance	Explanations
Financial KPIs	

<b>Key Financial Performance</b>	<b>Explanations</b>
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Return on equity (%)	Return on equity (ROE) is a measure of financial performance
Return on capital employed (%)	Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital
Debt-Equity Ratio (times)	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Current Ratio (times)	The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year
Net profit ratio (%)	Net Profit Margin ( <i>also known as "Profit Margin" or "Net Profit Margin Ratio"</i> ) is a financial ratio used to calculate the percentage of profit our company produces from its total revenue

## **OUR STRENGTHS**

### **1. Cost effective production and timely fulfilment of orders**

The Unique Selling Point of our company is effective and fast service for which we always maintain a good amount of inventory with us. Our core team looks after the healthy day to day production and proper committed dispatch to our clients on daily basis. Our company has implemented a number of measures to guarantee prompt fulfilment and to increase cost effectiveness. In order to ensure cost-effective production, our company continuously works to adopt an efficient procurement policy for inputs required for production. This is done to ensure that procurement is done in a cost-effective manner.

### **2. Skilled Promoters and management team.**

We are led by qualified and experienced work force, Key Managerial Personnel and Senior Management, who we believe have extensive knowledge and understanding of our Industry and have the expertise and vision to scale up our business.

Our Promoters, Mr. Sagar Girish Bhanushali and Mohansingh L Parmar, has 4 years of experience in the field of Manufacturing of Aluminium foils. For details, relating to the experience of our management, please see the chapters titled, "*Our Management*" and "*Our Promoters and Promoter Group*" on page 143 and 157 of this Draft Prospectus. Over the years, we think that the senior management team has been crucial in helping us successfully implement our development and operating plans. Our management team's persistent efforts and expertise have allowed us to create a company strategy that is both sustainable and profitable. We have also hired individuals with the necessary technical expertise and credentials for a variety of jobs. We firmly think that the efforts of our human resources are what make our organisation successful. Since the company's inception, we feel we have been able to adapt and broaden our operating capacities and take advantage of market opportunities because of our senior management team's awareness of industry trends, demands, and changes in the market.

### **3. Our Product Portfolio.**

Our production capacity has gradually increased over the past several years. Our diversified range of product portfolio allow us to meets the customer's requirements as per their need. We have added range of blister foils and Aluminum Strip Pharma Foil in our portfolio such as Printed Vinyl Monomer Coating and Heat Sealable Coated (VMCH) Aluminum Blister Foil, Blister Foil reels, Printed aluminum pharma foil, Aluminum Strip pharma foils slitted reels etc.

### **4. Well Equipped Manufacturing Facility**

Our manufacturing facility, which spans 7,973 square feet which includes three storeys and a ground level, is situated in Vasai, Mumbai, Maharashtra, India. It is designed and equipped to ensure that the production process runs smoothly. This

facility includes everything needed for hassle-free research, production, quality testing, storage, and packaging. Because of our manufacturing unit's increased production rate, we consistently meet our customers' bulk orders. To maintain the output rate, all of our machines receive regular upgrades and lubrication from researchers who employ top-notch staff. Additionally, we maintain all the finished products in a secure and organized manner at a warehousing unit located within our manufacturing facility. A team of interactive personnel retains get in touch with the clients to know their exact requirements and serves them accordingly.

#### **5. *Quality assurance and standards.***


We believe that we are a quality focused company. Our company is certified with ISO 9001:2015 We are committed to maintain quality at all steps from procurement of raw materials till dispatch. We have established a quality control team which has the responsibility to run inspections and ensure compliance with manufacturing practices. Before commencement of the manufacturing process, the raw materials purchased by our Company have to undergo a quality check, to ensure that they are of relevant quality and match the standards as specified. The finished products are tested by our in-house quality team to ensure that the same is of relevant standards and as specified by the customer; the products are then packed and dispatched.

### **OUR STRATEGIES**

#### **1. *Expanding our clientele Network by Geographic expansion.***

Our Company has major presence in the states of Dadra & Nagar Haveli, Gujarat and Maharashtra. We believe that our growth in other states in the country can fetch us new business expansion and opportunities. Going forward we intend to establish our presence in few other locations in the country. Our emphasis is on scaling of our operations in other markets which shall provide us with the attractive opportunities to grow our client base and revenues.

#### **2. *Enhancing our Brand Image.***

We would continue to associate ourselves with esteemed clients and delivering finished products that meet their highest expectations. We are highly conscious about our brand image and want to enhance that perception by offering high-quality products that satisfy consumers. In our business, brand recognition is crucial. Brand loyalty among consumers improves a company's chances in that sector. Our brand "" is now enjoying good market reception. We are highly conscious about our brand image and seek to further strengthen our brand by increasing its visibility through marketing initiatives, supplying qualitative products at competitive prices.

#### **3. *Widen our product portfolio.***

Our Company aims to expand and diversify our product portfolio by increasing its product base and introducing new range of product lines. We plan to continue expanding our manufacturing capabilities in order to capture future growth trends. We intend to explore opportunities to expand our operations by developing new products and services within our existing Aluminium foil business. Further expanding our product offerings will help us to build on existing diversification of our business. We believe that maintaining a variety in range of products in our business provides us with an opportunity to cater to diverse needs of different customer segment.

#### **4. *Focus on dealing in quality standard products:***

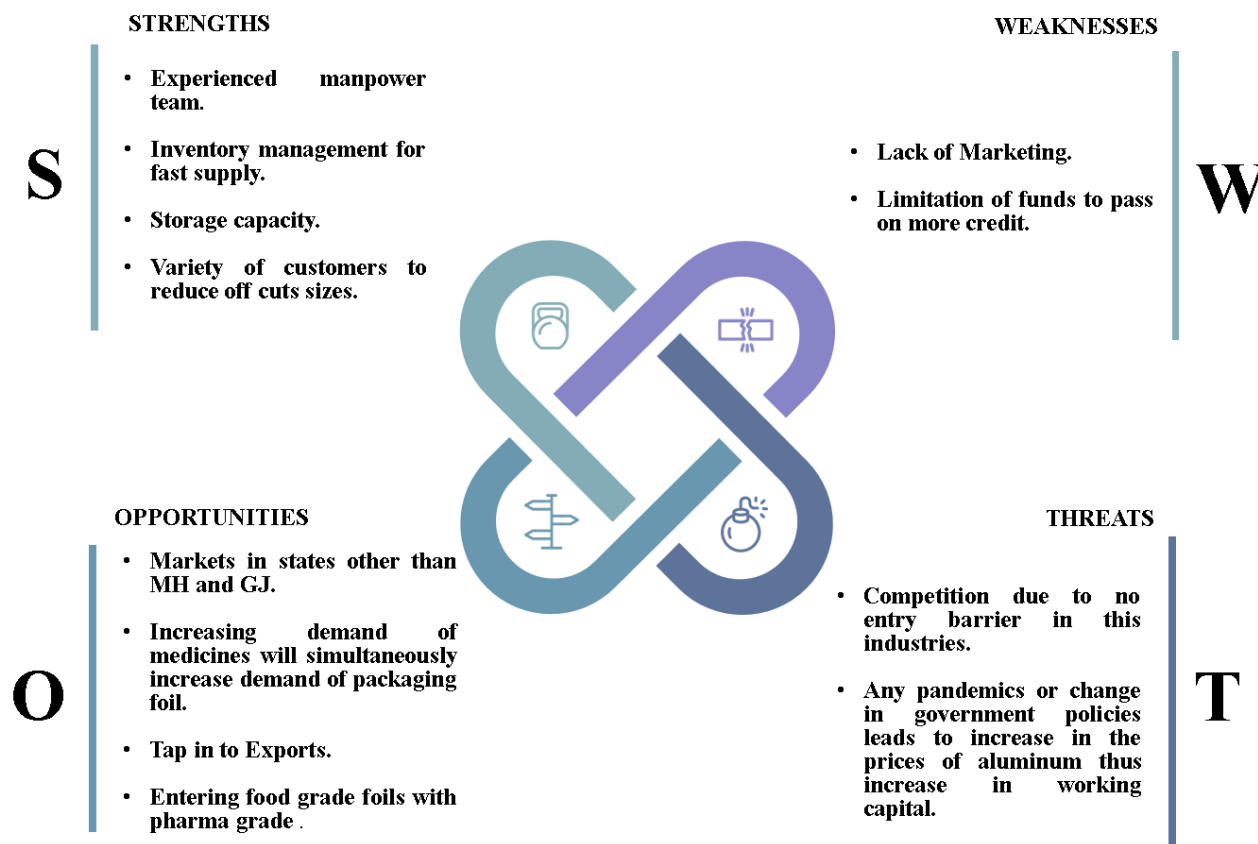
Product quality is one of the most important aspects for the company, both from the perspective of the customers and also for the growth of the company. We focus on dealing with the products that meet the necessary quality standards according to the relevant regulatory standards. Delivering the desired and high-quality products helps us in improving the image of the Company and maintaining the long-term relationship with the customers.

#### **5. *Improving Functional Efficiency***

Apart from expanding business and revenues we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost competitive company. Our manufacturing process runs 24 hours through three shifts of 8 hours each which ensures efficiency. We intend to implement process improvements across our organization, streamlining internal operations, optimizing inventory management, and enhancing logistics and distribution networks. With growing demand and increase in consumption, we are planning to expand our business in our current field by bringing in more orders by providing more credit to our vendors. These improvements will not only strengthen our financial performance but also attract investors seeking companies with robust operational frameworks.

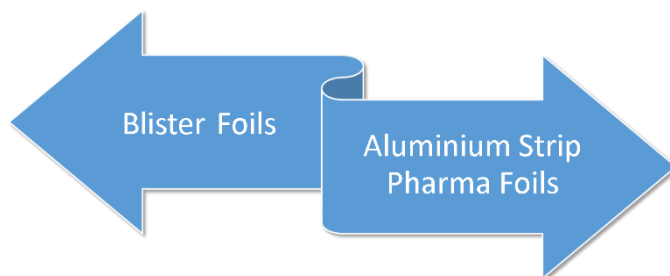
Our all-inclusive business plan includes growing our consumer base, broadening our product offering, modernizing and expanding our production plant, optimizing our marketing campaigns, and boosting operational effectiveness.

## SWOT ANALYSIS



## OUR PRODUCT PORTFOLIO

Our Company has product portfolio in the Aluminium Foil category. We are the manufacturer of Blister Foils and Aluminium Pharma Foils which is used in packing of pharmaceutical medicines ranging from 20/ 25/ 30/ 040 micron for coated /poly laminated/ blister/ printed foils. With our customized ideas in products, our client gets total packaging solutions from us. Quality and timely delivery of order of product comes as a priority for us. A brief description of our key products are as follows:



### 1. Blister Foils

Blister packaging is two-part pre-formed packaging consisting of a thermoformed plastic tray or a cold formed tray and a lidding material. The primary component of a blister pack is a cavity or pocket made from a formable web, usually a thermoformed plastic. This usually has a backing of paperboard or a lidding seal of aluminium foil or plastic. Our company manufactures. The lidding material typically contains aluminium foil and is bonded to the formed tray by heat sealing. Blister packs are often used for medicines in the pharmaceutical industry. These consist of the push-through Blister (or shorter “Blister”), a moulded plastic with cavities for the individual tablets, and a push-through closure made of aluminium foil, which is called blister film or lid film.



Blister packs are generally constructed in one of four ways: push-through, peel-open, peel-push, and tear-open. To meet performance expectations for each of the packaging types, foil lidding comes in different flexibility/rigidity tempers, and thicknesses (also known as gauges).

**Push-through blister packaging:** Push-through blister packaging is constructed so medication doses are pushed through the lidding. As such, hard temper aluminium and soft temper aluminium is used. Lidding with a relatively higher puncture strength can sometimes be used to achieve a level of child resistance.

**Peel-open blister packaging:** Peel-open blister packaging is constructed so medication doses are dispensed when the lidding is peeled from the tray. Lidding for peel-open applications combines aluminium with a paper backing or a paper/PET backing.

**Peel-push blister packaging:** Peel-push blister packaging is constructed so medication doses are dispensed through a combination of peeling back a lidding layer, then pushing the pharmaceutical through the remaining aluminium foil. Peel-push lidding is layered paper/PET/aluminium foil/HSC.

**Tear-open packaging:** Tear-open packaging is constructed so medication doses are dispensed by tearing the package open. Materials used for tear-open packaging are paper/PET/aluminium foil/HSC.



**Push-through blister packaging**



**Peel-open blister packaging**



**Peel-push blister packaging**



**Tear-open packaging**

Pharmaceutical products are sensitive to moisture, oxygen, and light conditions that could cause efficacy concerns in pharmaceutical ingredients. Blister packaging materials such as blister foils can be selected and combined to create barriers that block exposure to elements that could cause product degradation. As a result, capsules and tablets are hygienically clean and protected. This form of foil is generally used in the packing of non-sensitive drugs. Blister foils has three components, which are illustrated below:

- ❖ Nitrocellulose Coating (NC)
- ❖ Vinyl Solution
- ❖ Bare foil

Nitrocellulose coating is applied after printing to ensure the print from getting off from the Aluminium surface as per customer's requirement.

Vinyl Solution coating is given for seal ability. Vinyl Solution is nothing but a Heat Seal Lacquer (HSL). The grammage of coating is either 4 - 6 GSM or 6 – 8 GSM depending upon the requirement.

Blister foil consist of 20 micron and 25-micron aluminum foil, here micron means the gauge/thickness of the foil. There are generally only these two-gauge used for blister packaging in pharma industries. Blister Foil comes in following forms:

- 20 microns (0.020 mm / 54.60 GSM)
- 25 microns (0.025 mm / 68.25 GSM)

In addition to the above, solution vinyl contributes to the total Grammage.

These Blister Foils are available in Plain form as well as printed form as per customer's requirement.



*20 Micron Plain Blister Foils*



*20 Micron Printed Blister Foils*



*25 Micron Plain Blister Foils*



**25 Micron Printed Blister Foils**

These foils are run through VMCH Coating machine and Coating of different chemicals is applied on it. Chemical comprises of Ethlyl Acetate, VMCH Powder, Nitrocellulose Coating, MEK, Acetone, Diesel, Reducer and shellac chips. Once the coating process is done it gets passed on to the slitting stages after which the same is either dispatched as plain foil or it's been passed onto printing stage.

**Usage:**

Strip foil being a mixture of Aluminum foil and LDPE (Low-density polyethylene) film is used for packaging of capsule in pharmaceutical industries as they have more bursting strength due to its high gauge.

These are normally used in packaging of tablets in Pharma Industries and sealing of them is done by PVC or PVDC on the other side which is not done by us.

**2. Aluminium Strip Pharma Foils:**

We manufacture a range of Aluminium Foils suitable for strip packaging of pharmaceutical products such as Tablet, Capsules etc. Aluminium Strip foil is particularly suited for this because it ensures complete insulation against light, gases, moisture and germs. It completely blocks the passage of light and entry of unwanted odours. Each Tablet/capsule is individually protected. We offer both plain and printed strip foil as per customers' requirements in Foil. The final product specifications are made as per agreed terms with the customers. Strip Foils are used for the drugs, which are light sensitive to mid sensitive to highly sensitive. Following is the structure of the strip foil:

- ❖ Nitrocellulose Coating
- ❖ Bare Aluminium Foil
- ❖ LDPE (Low-density polyethylene)

Strip foil consists of 30 micron and 40-micron aluminum foils, these are a bit thicker and have more strengths than blister foil. The Specifications of both the categories are mentioned below:

0.30 mm Strip Foil and 0.040 mm Strip Foil:

- This type of foil has a structure of three components. The top component is nitrocellulose coating for printability.
- The second component is the 30 microns/ 40 microns aluminium foil.
- The third component is 150 GSM LDPE, which is 37.50 microns.
- LDPE plays the role of sealant layer.
- The top and the bottom layers are made of the same materials; i.e., 0.030 mm foil with
- Nitro cellulose coating and 150 Gauge/37.50 microns LDPE.

These foils are run through Heat and Press Lamination Machine where LDPE is added to it via heating process. The other side of the foil is to be washed with the help of shellac chips and reducer to remove the oiliness of aluminum.

These Foils are available in Plain form as well as printed form as per customer's requirement.



*30 Micron Plain Strip Foils*



*40 Micron Printed Strip Foils*



*30 Micron Printed Strip Foils*



*40 Micron Plain Strip Foils*

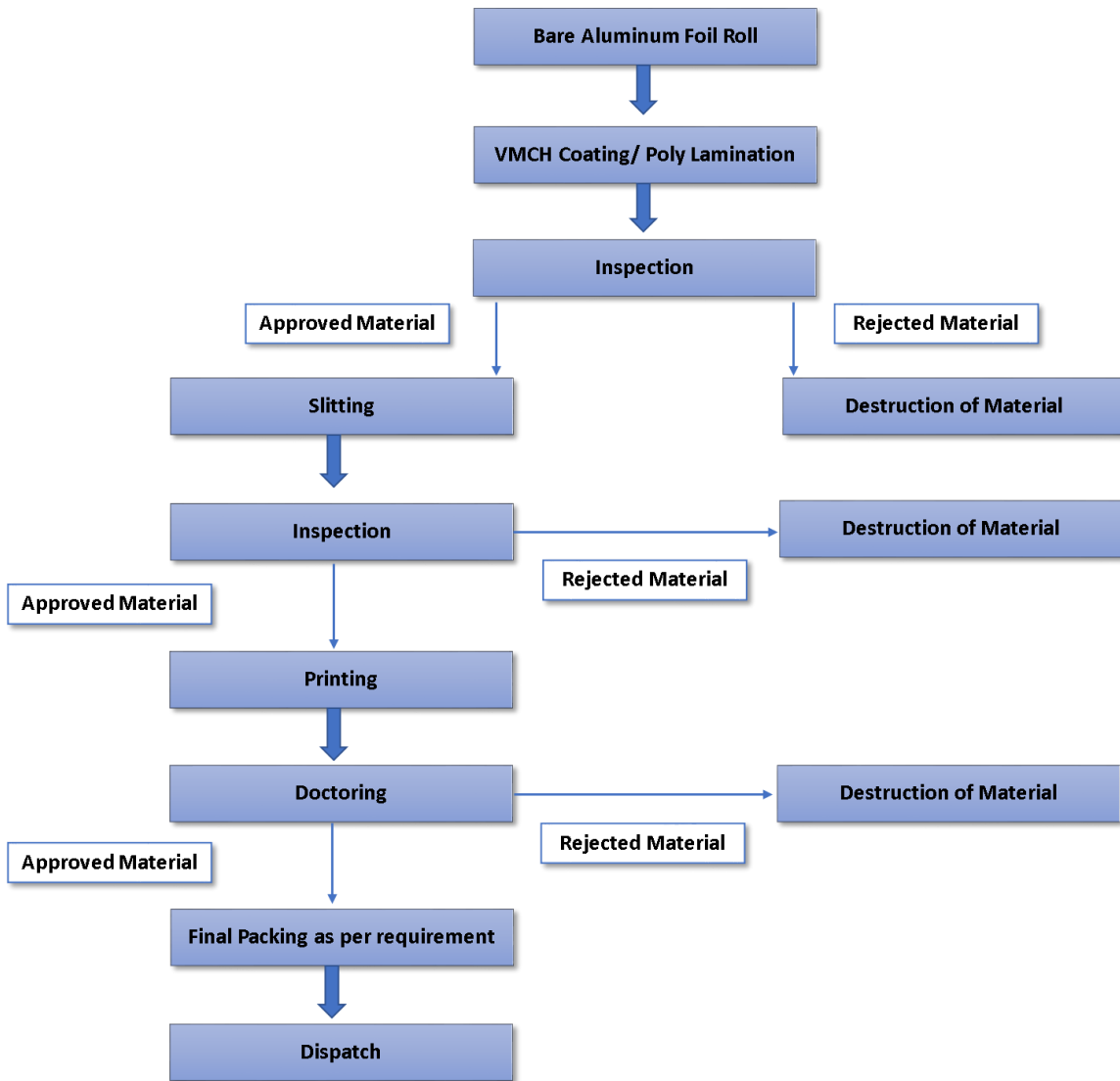
**Usage:**

Strip foil being a mixture of Aluminum foil and LDPE film is used for packaging of capsule in pharmaceutical industries as they have more bursting strength due to its high gauge.

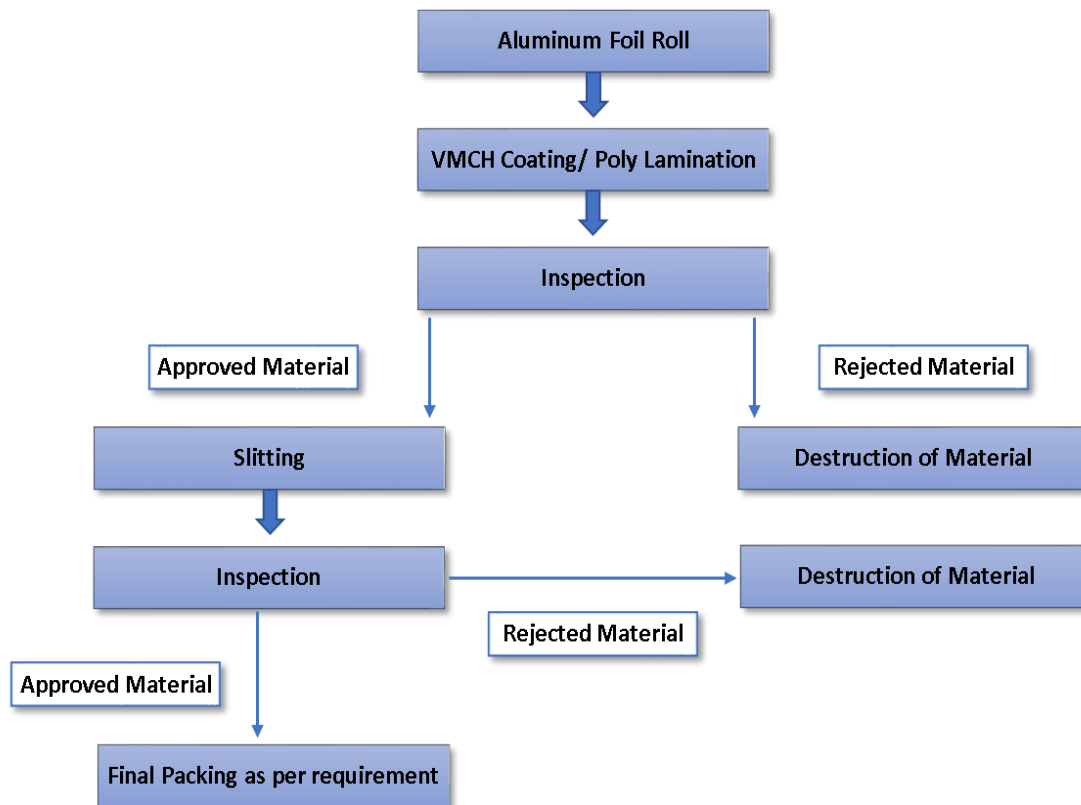
These foils also goes through slitting stage and further processes are carried out. These are sealed with foil on both the side while packaging of medicines.

**OUR MANUFACTURING PROCESS**

Manufacturing Process for Blister/ Aluminium Strip Pharma Printed Foil:



Manufacturing Process for Blister/ Aluminium Strip Pharma Plain Foil:



1. **VMCH Coating:** VMCH Coating is done to apply coating on the bare aluminium foil so as to generate a printability on it. It is done via heating process of around 130-200 degree Celsius depending on the foil in use.
2. **Poly lamination:** The Heat and Press lamination Machine is used in which aluminium foil and LDPE Films is merged via heating process; it is used in capsule blistering which require more strengthen foil. The gauge of foil is from 30-40 micron and of LDPE Film is from 38.5-39.5 micron. Further, Foil wash is applied to the surface so as to generate smooth and oil free surface for the printing purpose.
3. **Inspection:** Under this stage, the Inspection team checks as to whether the coating or lamination has been done properly or not. If there are some defects found then the material is disposed which cannot be used further.
4. **Slitting:** The drum slitting Machine is used where jumbo Rolls from Coating and Lamination Machine is being Slitted in the Small sizes as per requirement of the party. This is a cutting process and no chemicals are being applied in this process.
5. **Printing:** We have two colour and four colour printing Machines in place. printing is done in various chambers by putting the Cylinders and Ink according to the artwork and Pantone Number specified in the job file provided by customer. Printing of all the text matter on the one side of the foil is done in this process which specifies detailed description of the respective medicines.
6. **Doctoring:** Under Doctoring stage which is also known as Rewinding stage where the Printed rolls are Checked for any mismatch or missing of ink and further conversion of bigger rolls into smaller Dimensions is being done for Pharma use.
7. **Final Quality Check:** Once all these processes are done the foils needs to be checked for each and every aspect in terms of the coating quality, prescription, Printing and such other variables.
8. **Packaging and Dispatch:** The Foils are then wrapped in a secure and water proof packaging and then dispatched to the particular customer

## PRODUCT WISE REVENUE BIFURCATION

Following is our product wise revenue bifurcation for the period ended December 31, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 as follows:

(₹ in Lakhs)

Product Wise Sales	For the Period ended December 31, 2023			For the Period ended June 26, 2024			FY 2022-23			FY 2021-22			FY 2020-2021		
	Units	Amount	% of Revenue	Units	Amount	% of Revenue	Units	Amount	% of Revenue	Units	Amount	% of Revenue	Units	Amount	% of Revenue
Blister foils	6,95,164	1,850.11	68 %	2,95,353.26	701.75	64 %	12,22,446.92	4,139.68	63 %	9,95,890	3,746.18	52 %	9,32,885	2,434.45	67 %
Pharma foils	3,22,165	868.76	32 %	1,38,389.22	389.91	36 %	7,86,025.25	2,448.67	37 %	10,98,212	3,438.85	48 %	5,68,239	1,211.78	33 %
<b>Total</b>	<b>10,17,329</b>	<b>2,717.87</b>	<b>100 %</b>	<b>4,33,742.48</b>	<b>1,091.66</b>	<b>100 %</b>	<b>20,08,472.17</b>	<b>6,588.35</b>	<b>100 %</b>	<b>20,94,102</b>	<b>7185.03</b>	<b>100 %</b>	<b>15,01,124</b>	<b>3,646.23</b>	<b>100 %</b>

## OUR MANUFACTURING FACILITY

Our Company has a manufacturing facility and Registered Office situated at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East, Thane, Maharashtra, India.

For further details, kindly refer to the section titled: "Our Properties" mentioned below.



**VMCH Coating**



*VMCH Solution Application*



*Foil Washing*





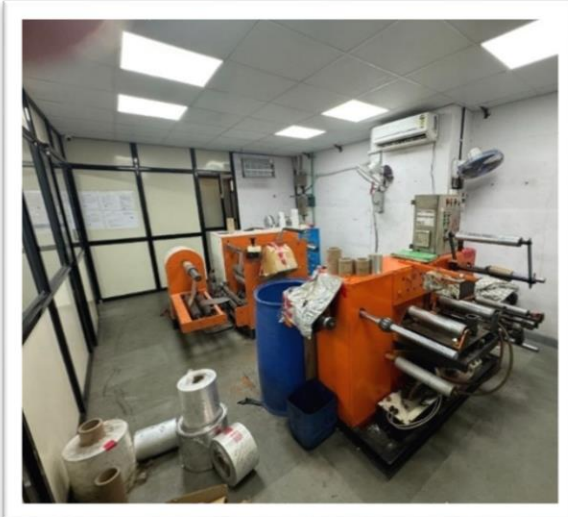
*Poly Lamination Machines*



*Drum Slitting Machine*



*Printing Machine*



*Doctoring Machine*





## CAPACITY AND CAPACITY UTILISATION

(Capacity in tons/Days)

Sr. No	Name of the Machineries	For the period ended December 31, 2023			FY 2022-2023			FY 2021-2022			FY 2020-2021		
		Instal led capa city	Utiliz ed Capa city	Utiliz ation %	Instal led capa city	Utiliz ed Capa city	Utiliz ation %	Instal led capa city	Utiliz ed Capa city	Utiliz ation %	Instal led capa city	Utiliz ed Capa city	Utiliz ation %
1.	Heat & Press Lamination Machine	6	4.5	75	5.8	4.2	72	5.5	4	73	5	3.8	76
2.	Doctoring Machine along with Auto Power Brek	1	0.8	80	0.8	0.6	75	0.7	0.5	71	0.6	0.4	67
3.	Surface type heavy duty aluminium foil slitter rewinder	1	0.8	80	0.8	0.6	75	0.8	0.6	75	0.6	0.5	83

Sr. No	Name of the Machineries	For the period ended December 31, 2023			FY 2022-2023			FY 2021-2022			FY 2020-2021		
		Instal led capa city	Utiliz ed Capa city	Utiliz ation %	Instal led capa city	Utiliz ed Capa city	Utiliz ation %	Instal led capa city	Utiliz ed Capa city	Utiliz ation %	Instal led capa city	Utiliz ed Capa city	Utiliz ation %
4.	Printing machine – 2 Color	1.2	1	83	1	0.8	80	1	0.8	80	0.9	0.7	78
5.	Printing machine – 4 Color	1.2	1	83	1	0.8	80	1	0.8	80	0.8	0.6	75
6 a.	VMCH with Shellac Coating Machine (old)	-	-	-	-	-	-	7.5	6.2	83	6.9	6	87
6 b.	VMCH with Shellac Coating Machine (new)	8	7.3	91	7.8	6.9	89	7.6	6.8	89	-	-	-
7.	Mini Slitter cum Rewinding Machine	10	8	80	9.5	7.5	79	9.4	7.4	79	9	6.9	77
<b>Average</b>		<b>80 %</b>			<b>78%</b>			<b>77%</b>			<b>77%</b>		
<b>Total</b>		<b>Total Production Team working for 1st, 2nd, &amp; 3rd shift is 41 Nos</b>											

As certified by Lalit M Savariya, Chartered Engineer by way of their certificate dated January 17, 2024.

**Note:**

- Capacity utilization has been calculated on the basis of actual production during the relevant fiscal year/ period divided by the aggregate installed capacity of relevant manufacturing facilities as of at the end of the relevant fiscal year/ period.
- The above information is furnished on the basis of data provided and internal estimates and assumptions.
- The above information is certified by Lalit M Savariya, Chartered Engineer by way of their certificate dated January 17, 2024.

**PLANT AND MACHINERY**

We have installed following machines:

S. No.	Details of Tools & Machinery	Number of Items
1.	VMCH with Shellac coating machine along with 5 drive system-working width 1000 mm	1
2.	Surface type heavy duty aluminium foil slitter rewinder - working width 1000 mm	1
3.	Heat & press lamination machine for pharma foil with hot air & chiller - working width 1000 mm	1
4.	Printing machine along with all standard accessories – 2 colours	1
5.	Doctoring machine	1
6.	Mini slitter cum rewinding machine – working width 1000 mm	1
7.	Printing machine along with all standard accessories – 4 colours	1

**PRICING**

We establish pricing structures that are fair, transparent, and competitive within the industry. Our pricing decisions are made after considering the costs associated with product development, manufacturing, materials, labour, overhead, market demand, transportation costs, raw materials costs, inventory levels, credit terms and sometimes it is fixed for particular customer to maintain the relationship and other relevant expenses. Our pricing strategy aims to achieve sustainable profitability while considering market dynamics, competitive landscape, and customer demand. We also conduct market research and competitive analysis to understand prevailing market prices, industry trends, and customer expectations. Competitor pricing, product features, and positioning are considered to establish competitive and differentiated pricing strategies.

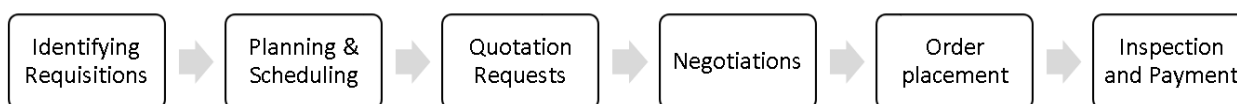
**RAW MATERIALS**

The principal raw materials required for our manufacturing process include Aluminium foils, LDPE FILMS, Chemicals includes-Ethyl acetate, Vinyl Powder, Acetone, MEK, Diesel, Shellac Chips. Our Company maintains a base of reliable material suppliers who consistently provide materials of appropriate standards as per our requirements. The purchase price

of our raw materials generally follows market prices since our raw material is aluminium foil. We usually do not enter into long-term supply contracts with any of our raw material suppliers. Our raw materials are procured in the domestic market from Dadra & Nagar Haveli, Delhi, Goa, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Tamil Nadu, Telangana, West Bengal.

The prices of our raw materials are based on, or linked to, the global pricing of such raw materials. Volatility in metal prices can significantly affect our raw material costs. Any variations in raw materials pricing are generally passed on to the customer. While we endeavor to pass on all raw material price increases to our customers, we may not be able to compensate for or pass on our increased costs to our customers in all cases. If we are not able to compensate for or pass on our increased raw materials costs to our customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

We have in-house planning and inventory control teams that work alongside the manufacturing team to determine procurement requirements for manufacturing finished products, creating production plans and ensuring the availability of raw materials. These in-house planning and inventory control teams monitor inventory and finished products against various factors, including capacity. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices, and delivery delay. Below mentioned is the process for procurement of raw material.



The following table illustrates the concentration of our purchases among our top Suppliers:

Particulars	For the period ended December 31, 2023		For the period ended June 26, 2023		For the year ended March 30, 2023		For the year ended March 30, 2022		For the year ended March 30, 2021	
	Amount	% of total Purchase	Amount	% of total Purchase	Amount	% of total Purchase	Amount	% of total Purchase	Amount	% of total Purchase
Top 10 Suppliers	2309.96	86.27 %	815.24	90.31 %	5054.65	85.12 %	6226.35	89.41 %	3426.64	95.60 %

*\*As certified by AMB Jain & Co., Chartered Accountants through their certificate dated March 18, 2024.*

## UTILITIES

### Infrastructure Facilities

Our registered office is well equipped with modernized machines being used in the business operations, computer systems, internet connectivity, other communication equipment, and other facilities, which are required for our business operations to function smoothly. Our manufacturing facility is equipped with requisite utilities and infrastructure including the following:

#### Power

Our manufacturing process requires uninterrupted supply of Electric & Power for our manufacturing facility. We consume a substantial amount of power for our business operations. Our power requirements are met through State Electricity Board, i.e., Maharashtra State Electricity Distribution Co. Limited.

#### Water

To meet water requirements for our manufacturing purpose and human consumption purpose. Our registered office has adequate water supply arrangements. The requirements are fully met at the existing premises.

#### Fuel

The requirement of fuel for operating the machinery/equipment is met by suppliers from local market.

## **CUSTOMERS, SALES AND MARKETING**

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, reliability and competitive pricing is the deciding factor in most cases. We face fair competition from both organized and unorganized players in the market.

We believe that our experience, and reliability record with our customers will be key to overcome competition posed by such organized and unorganized players. Although, a competitive market, there are not enough number of competitors offering services similar to us. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the services.

## **INVENTORY MANAGEMENT**

Our finished products and raw materials are primarily stored on-site at our manufacturing facility. We produce a quantity of finished products that is determined based on a combination of confirmed orders. In some cases, according to customer demand we hold strategic stock, so our lead times can be reduced. These are in most cases according to a stocking policy with customers, but in some instances, these are pro-active steps taken by the organisation to ensure better supply chain management.

## **LOGISTICS**

Our suppliers directly deliver raw materials to our manufacturing facility. We outsource the delivery of our products to either third-party logistics companies or as mutually agreed shipment terms as decided between the customer and Company.

## **COMPETITION**

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, reliability and competitive pricing is the deciding factor in most cases. We face fair competition from both organized and unorganized players in the market.

We believe that our experience, and reliability record with our customers will be key to overcome competition posed by such organized and unorganized players. Although, a competitive market, there are not enough number of competitors offering services similar to us. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the services.

Additionally, we continually seek opportunities to improve our operational efficiencies. This includes optimizing our manufacturing processes and leveraging technology to enhance productivity. By enhancing our functional efficiency, we aim to offer competitive pricing without compromising on quality, further strengthening our position in the market.

## **INFORMATION TECHNOLOGY**

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and receivables from customers. We are using Tally Prime for our accounting, invoicing and inventory management.

## **REPAIR AND MAINTENANCE**

We conduct periodic repair and maintenance programs for our manufacturing facility. Our machinery and electrical repair teams carry out periodic maintenance and repair of the plant and machineries on as needed basis. In addition, our manufacturing facilities is periodically inspected by our technicians.

## **QUALITY CONTROL**

Our Company has installed quality management systems in house and we believe that we are a quality focused company. We are committed to maintain quality and at all steps from procurement till dispatch. We have established a quality control team which has the responsibility to ensure compliance with manufacturing practices. Before commencement of the

manufacturing process, the materials purchased by our Company have to undergo a quality check, to ensure that they are of relevant quality and match the standards as specified. The finished products are tested done by our in-house team to ensure that the same is of relevant standards and design as specified by the customer to achieve the norms of self-certification; the products are then packed and dispatched.

## **ENVIRONMENT, HEALTH & SAFETY**

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and wastes and employee health and employee safety. For further information, see “*Key Industry Regulations and Policies*” beginning on page 132 of this Draft Prospectus. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, see “*Government and Other Statutory Approvals*” beginning on page 184 of this Draft Prospectus.

## **HUMAN RESOURCE**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to implement our growth plans. The following table sets forth a breakdown of our employees by function as on the date of February 28, 2024:

<b>Sr. no</b>	<b>Category</b>	<b>No of Employees</b>
1.	Manager	2
2.	Coating Department	8
3.	Slitting Department	8
4.	Rewinding Department	3
5.	Accounts Department	2
6.	Quality Control Department	3
7.	Lamination Department	3
8.	Printing Department	10
<b>Total</b>		<b>39</b>

## **EXPORT AND EXPORT OBLIGATIONS**

As on the date, we do not have any export obligation.

## **COLLABORATION**

As on date of this Draft Prospectus, our Company has not entered into any technical or financial collaboration agreements.

## **INSURANCE**

Our operations are subject to various risks inherent in our industry. We have obtained insurance in order to manage the risk of losses from potentially harmful events, including: (i) Insurance Policy Covering Standard Fire & Special Perils and Damage to Buildings, Plant and Machinery, Accessories and Stocks; (ii) Burglary Policy. These insurance policies are renewed periodically to ensure that the coverage is adequate.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

## **PROPERTIES**

**Lease Properties:**

<b>Date of License and Lease</b>	<b>Lessor</b>	<b>Address</b>	<b>Period of Lease</b>	<b>Area</b>	<b>Monthly Rent</b>	<b>Purpose</b>
Leave and License Agreement dated October 17, 2023	Mr. Kanhaiya Lal Agrawal	Gala No 06, Sapphire Industrial Premises, Diamond Industrial Estate, Waliv, Vasai (East), Palghar, Maharashtra, India	55 Months w.e.f November 01, 2023 till May 31, 2028	1,866 Sq. Ft.	₹ 1,00,000/- per month for first term of 11 months, subject to 06% escalation in monthly compensation for the further period	Registered Office and Manufacturing Facility
Leave and License Agreement dated October 17, 2023	Mr. Kanhaiya Lal Agrawal	Gala No 106, Sapphire Industrial Premises, Diamond Industrial Estate, Waliv, Vasai (East), Palghar, Maharashtra, India	55 Months w.e.f November 01, 2023 till May 31, 2028	2,113 Sq. Ft.	₹ 1,00,000/- per month for first term of 11 months, subject to 06% escalation in monthly compensation for the further period	Registered Office and Manufacturing Facility
Leave and License Agreement dated October 17, 2023	Mrs. Suchita Vyankat Bastapure	Gala No 206, Sapphire Industrial Premises, Diamond Industrial Estate, Waliv, Vasai (East), Palghar, Maharashtra, India	55 Months w.e.f November 01, 2023 till May 31, 2028	2,113 Sq. Ft.	₹ 1,00,000/- per month for first term of 11 months, subject to 06% escalation in monthly compensation for the further period	Registered Office and Manufacturing Facility
Leave and License Agreement dated October 17, 2023	Mrs. Suchita Vyankat Bastapure	Gala No 306, Sapphire Industrial Premises, Diamond Industrial Estate, Waliv, Vasai (East), Palghar, Maharashtra, India	55 Months w.e.f November 01, 2023 till May 31, 2028	1,880 Sq. Ft.	₹ 1,00,000/- per month for first term of 11 months, subject to 06% escalation in monthly compensation for the further period	Registered Office and Manufacturing Facility

**INTELLECTUAL PROPERTY**

As on date of this Draft Prospectus, our Company does not have any intellectual property rights.

**Domain Name**

<b>S.No</b>	<b>Domain Name and ID</b>	<b>Sponsoring Registrar and ID</b>	<b>Registrant Name, ID and Address</b>	<b>Creation Date</b>	<b>Registry Expiry Date</b>
1.	<a href="https://gsmfoils.com/">https://gsmfoils.com/</a>	2817948379_DOMAIN_COM-VRSN	GoDaddy.com, LLC IANA ID:146	September 29,2023	September 29,2024



## KEY INDUSTRY REGULATIONS

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 184 of this Draft Prospectus.*

### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

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

### SEBI REGULATIONS

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

### TAX RELATED REGULATIONS

#### Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31<sup>st</sup> October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Government has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods and services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as interstate transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

#### Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer

Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes and Customs under the Ministry of Finance.

### **State Tax on Profession, Trades, Callings and Employment Rules, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

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

### **The Aluminium (Control) Order, 1970**

The Order has been made by the Central Government in exercise of its powers conferred by Section 3 of the Essential Commodities Act, 1955 (10 of 1955) on March 20, 1970. It aims at regulating and controlling the price of Aluminium, this being an essential commodity. According to this order, any person acquiring aluminium from a producer, manufacturer, dealer or importing agent shall not use such aluminium otherwise than in accordance with any general or specific orders as may be issued from time to time by the Controller or such other officer as the Central Government may by order made from time to time, authorize in this behalf. The order further provides for provisions for audit and examination, entry search & seizure of the books of any person, covered under and acting in contradiction to the provisions of the Order.

### **Food Safety and Standards (Labelling and Display) Regulations 2020**

The Food Safety and Standards Authority of India (FSSAI) has come up with the new Food Safety and Standards (Labelling and Display) Regulations, 2020. The new regulations emphasize on enabling consumers to make informed choices about their food purchases not only in the sphere of packaged food products but also on purchases from restaurants and e-commerce platforms. The new regime is set to be implemented from December 2021 except for a few provisions which are expected to be implemented a month later i.e. from January 2022. These regulations mandate several disclosures to be made on the packaging of the food items including display of certain information in a given manner for products sold on the e-commerce website.

### **Food Safety and Standards (Packaging) Regulations 2018**

These regulations have been enacted to regulate the quality of packing materials being used for the packaging of food and food grade items. These regulations specify the safety criteria to be used in the packaging of food items and aims to ensure that the packing material used for packaging of food and food grade items are safe for consumption and that the material used is able to withstand mechanical, chemical or thermal stresses encountered during normal transportation and specifies various packaging norms.

### **The Bureau of Indian Standards Act, 2016 (“BIS Act”) and Bureau of Indian Standards Rules, 2018 and amendments thereto**

The BIS Act and rules made thereunder, establishes, publishes and regulates national standards to ensure conformity assessment, standardization, and quality assurance of goods, articles, processes, systems and services. The BIS Act empowers the Bureau of Indian Standards to inspect and monitor the quality of goods and materials to ensure conformity with the BIS Act. In furtherance of such powers, the officials may inspect the premises for evaluating a manufacturer's compliance with use of standard marks. The BIS Act also enables the central government to appoint any authority to verify the conformity of products and services to a standard and issue certificate of conformity. Further, the BIS Act sets out inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard. Under the BIS Act, such products may be recalled from the market.

Aluminium Foil (Quality Control) Order, 2020 ([S.O. 687 \(E\) dated 13/02/2020](#)) and Aluminium and Aluminium Alloy Products (Quality Control) Order, 2023 ([S.O. 4241\(E\), dated 25th September 2023](#)) is applicable to the products manufactured by us.

## **Good Manufacturing Practice Guidelines (GMP)**

These guidelines are provided under Schedule T of Drug and Cosmetic Act, 1940. Good manufacturing practices (GMP) are the practices required in order to confirm the guidelines recommended by agencies that control authorization and licensing for manufacture and sale of food, drug products, and active pharmaceutical products. These guidelines provide minimum requirements that a pharmaceutical or a food product manufacturer must meet to assure that the products are of high quality and do not pose any risk to the consumer or public. Good manufacturing practices, along with good laboratory practices and good clinical practices, are overseen by regulatory agencies in various sectors in India.

## **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009, as amended (the “Metrology Act”), was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Metrology Act states that any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state.

## **Standards of Weights and Measures Act, 1976**

The Standards of Weights and Measures Act, 1976 (the “Act”) was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### **The Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

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

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA

Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company

### **Laws related to Overseas Investment by Indian Entities:**

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

### **Foreign Trade Policy 2023:**

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

## **LAWS RELATED TO ENVIRONMENTAL LAWS**

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

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

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

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

### **Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)**

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

## **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste” inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization has been relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

## **The Noise Pollution (Regulation and Control) Rules, 2000**

These Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”) were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones. The Noise Pollution Rules further provide powers to the authority to enforce the noise control measures in the areas/zones. The Noise Pollution Rules provide modes of making complaints to the authority in case noise levels exceed the ambient noise standards along with penalties and liabilities on account of violations in the silence zones/areas.

## **Environment Impact Assessment Notification of 2006**

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **Trademarks Act, 1999**

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

### **The Patents Act, 1970**

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

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

### **The Factories Act, 1948**

The Factories Act, 1948 (“Factories Act”) aims at regulating labour employed in factories. A “factory” is defined as any premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places. Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the

Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

### **Code on Wages, 2019**

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few sections of the Code have yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

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

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

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

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

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

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

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

\*The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.

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

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's

provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

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

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

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

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

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

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

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

## **OTHER GENERAL REGULATIONS**

### **The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act")**

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

### **State Laws**

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and

safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### **Municipality Laws**

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Approvals from Local Authorities**

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

### **Other regulations**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

## **PROPERTY RELATED LAWS**

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



## HISTORY AND CERTAIN CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was originally formed as Limited Liability Partnership Firm under the name and style of “M/s. GSM Foils LLP” pursuant to a Certificate of incorporation issued by Registrar of Companies, Central Registration Centre, dated April 05, 2019 with LLP registration number being AAO-7932. M/s. GSM Foils LLP was thereafter converted into a Private Limited Company “GSM Foils Private Limited” pursuant to the provisions of Chapter XXI of the Companies Act, 2013 and fresh a certificate of incorporation dated June 27, 2023 was issued by Registrar of Companies, Central Registration Centre. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to “GSM Foils Limited” pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on July 14, 2023 and a fresh Certificate of incorporation dated September 04 2023 issued by the Registrar of Companies, Mumbai. The Corporate Identity Number of our Company is U43303MH2023PLC405459.

Mr. Sagar Girish Bhanushali and Mr. Mohansingh L Parmar were the initial subscriber to the Memorandum of Association of our Company and are current promoters of the company as well. For further details of our promoter please refer the chapter titled “*Our Promoter and Promoter Group*” beginning on page 157 of this Draft Prospectus.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, please refer the chapter titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages, 111, 88, 143, 163 and 167 respectively of this Draft Prospectus.

Our Company has 8 (Eight) shareholders as on the date of filing of this Draft Prospectus.

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

The following changes were made in the location of our Registered Office:

From	To	With effect from	Reason for Change
Gala no 18, bldg/2, apex, commercial Complex, vasai road E, bassein, thane -401202, Maharashtra, India.	Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East, Thane 401208 Maharashtra, India	December 11, 2023	Administrative convenience

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Key Events/Milestones/Achievements
2019	Formed as a Limited Liability Partnership Firm in the name and style of “GSM Foils LLP”.
2022	Achieved the production and sales of more than 270 tons.
2023	Converted to Private Limited Company and Name changed to “GSM Foils Private Limited”.
2023	Converted to Public Limited Company and Name changed to “GSM Foils Limited”.

### MAIN OBJECTS OF OUR COMPANY

The main object of our Company as set forth in the Memorandum of Association of our Company is as follows:

1. To manufacture, produce, fabricate, design, Print, develop, process, assemble, refine, make, convert, import, export, trade, buy, sell, whether as retailers, wholesalers, suppliers, indenters, packers, stockiest, agents, merchants, distributors, consignors, jobbers, brokers or otherwise deal in all shapes, sizes, specifications, gauges, thickness, dimensions and varieties of aluminum foils used in pharmaceutical companies, aluminum foils used for packaging, aluminum ore, aluminum utensils, wires, aluminum furniture, tools, equipment’s, plants, tubes, packing materials, springs, plates, circles, coils, foils, powder, rails, rods, squares, grills, doors, windows, their parts, accessories, components or any product in which aluminum is used.

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE LAST TEN YEARS

The following changes have been made in the Memorandum of Association of our Company Since Incorporation:

<b>Date of Meeting</b>	<b>Type</b>	<b>Nature of Amendment</b>
July 14, 2023	EOGM	<ul style="list-style-type: none"> <li>• <b>Alteration in Capital Clause:</b> <b><u>Clause 5 of our Memorandum of Association was amended to reflect:</u></b> The authorised share capital of our Company increased from ₹ 2,20,000/- divided into 22,000 Equity Shares of ₹10/- each to ₹ 5,00,000/- divided into 50,000 Equity Shares of ₹ 10/- each.</li> <li>• <b>Alteration in Name Clause:</b> <b><u>Clause 1 of our Memorandum of Association was amended to reflect:</u></b> The Name of Company changed from “GSM Foils Private Limited” to “GSM Foils Limited”.</li> <li>• <b>Alteration in Objects Clause:</b> <b><u>Clause 3(a) of our Memorandum of Association was amended to reflect:</u></b> Clause 3(a) of our Memorandum of Association was amended and following sub clause is inserted as sub clause no. 3a immediate:  To manufacture, produce, fabricate, design, Print, develop, process, assemble, refine, make, convert, import, export, trade, buy, sell, whether as retailers, wholesalers, suppliers, indenters, packers, stockiest, agents, merchants, distributors, consignors, jobbers, brokers or otherwise deal in all shapes, sizes, specifications, gauges, thickness, dimensions and varieties of aluminum foils used in pharmaceutical companies, aluminum foils used for packaging, aluminum ore, aluminum utensils, wires, aluminum furniture, tools, equipment’s, plants, tubes, packing materials, springs, plates, circles, coils, foils, powder, rails, rods, squares, grills, doors, windows, their parts, accessories, components or any product in which aluminum is used.</li> </ul>
December 14, 2023	EOGM	<ul style="list-style-type: none"> <li>• <b>Alteration in Capital Clause:</b> The authorised share capital of our Company increased from ₹ 5,00,000/- divided into 50,000 Equity Shares of ₹10/- each to ₹ 18,00,00,000/- divided into 1,80,00,000 Equity Shares of ₹ 10/- each.</li> </ul>

#### **OUR HOLDING COMPANY**

As on the date of this Draft Prospectus, our Company does not have any Holding Company.

#### **OUR SUBSIDIARY COMPANY**

As on the date of this Draft Prospectus, our Company does not have any Subsidiary Company.

#### **ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS**

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

#### **SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS**

We do not have any financial or strategic partnerships as on the date of this Draft Prospectus.

#### **SHAREHOLDERS’ AND OTHER AGREEMENT**

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Prospectus.

#### **LOCK OUTS AND STRIKES**

There have been no lock outs or strikes at any of the location of our Company as on the date of this Draft Prospectus.

#### **TIME/COST OVERRUN IN SETTING UP PROJECTS**

There has been no time and cost overruns in the Company as on date of this Draft Prospectus.

#### **LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY OR EXIT IN NEW GEOGRAPHIES**

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the locations, please see chapter titled “*Our Business*” beginning on page 111 of this Draft Prospectus.

#### **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS**

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

Our Company has not made any defaults / re-scheduling of its borrowings as on date of this Draft Prospectus.

#### **JOINT VENTURES**

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

#### **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, DIRECTOR, PROMOTER OR ANY OTHER EMPLOYEE**

Neither our Promoter, nor any of the Key Managerial Personnel, Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

#### **MATERIAL AGREEMENTS**

Except as disclosed above and in the chapter titled “*Our Business*” on page 111 of this Draft Prospectus, we have not entered into any material agreement / contract as on the date of this Draft Prospectus.

#### **STRATEGIC PARTNERS**

As of the date of this Draft Prospectus, our Company does not have any Strategic Partners.

#### **FINANCIAL PARTNERS**

As on the date of this Draft Prospectus, our Company does not have any other financial partners.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under Articles of Association of our Company, the number of Directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013.

As of the date of this Draft Prospectus, our Company has 5 (Five) Directors on the Board, 1 (One) as Managing Director, 1 (One) as Chairman & Whole Time Director, and 3 (Three) as Independent Directors which includes 1 (One) Woman Director in our Board.

The details of the Directors are as mentioned in the below table:

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Re appointment	Other Directorships
<p><b>Name:</b> Mr. Sagar Girish Bhanushali</p> <p><b>Father's Name:</b> Mr. Girish Shankarlal Bhanushali</p> <p><b>Age:</b> 28 years</p> <p><b>Date of Birth:</b> May 22, 1995</p> <p><b>Designation:</b> Chairman and Whole Time Director</p> <p><b>Residential Address:</b> Room No. 1, Floor 1, Jaynarayan Chawl, Aarey Road, Above Ratnamani Jeweller, Goregaon East S. O, Mumbai – 400063, Maharashtra, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Change in Designation as Chairman and Whole Time Director for a period of 5 (five) years with effect from December 14, 2023.</p> <p><b>DIN:</b> 09126902</p>	<p>Originally Appointed as Director since incorporation</p> <p>Change in Designation as Chairman and Whole Time Director on December 14, 2023.</p>	Nil
<p><b>Name:</b> Mr. Mohansingh L Parmar</p> <p><b>Father's Name:</b> Late Lakshmansingh Parmar</p> <p><b>Age:</b> 41 years</p> <p><b>Date of Birth:</b> May 03, 1982</p> <p><b>Designation:</b> Managing Director</p> <p><b>Residential Address:</b> A 901, 902, Laxmi Residency, Behind Vitthal Mandir, Waliv, Vasai East, Vasai, Palghar – 401208, Maharashtra, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p>	<p>Originally Appointed as Director since incorporation</p> <p>Change in designation as Managing Director on December 14, 2023.</p>	Nil

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Re appointment	Other Directorships
<p><b>Term:</b> Change in Designation as Managing Director for a period of 5 (five) years with effect from December 14, 2023.</p> <p><b>DIN:</b> 08413828</p>		
<p><b>Name:</b> Mr. Mahesh Virchand Mehta</p> <p><b>Father's Name:</b> Mr. Virchand Odhavji Mehta</p> <p><b>Age:</b> 62 years</p> <p><b>Date of Birth:</b> April 25, 1961</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Residential Address:</b> Flat No. 2, Sanman CHS Plot – 93, Model Town, Near Gyankendra School, Andheri West, Azad Nagar, Mumbai – 400053, Maharashtra, India.</p> <p><b>Occupation:</b> Retired</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointment as Non-Executive Independent Director for a period of 5 (five) years with effect from December 14, 2023</p> <p><b>DIN:</b> 09325268</p>	<p>Appointed as Non-Executive Independent Director on December 14, 2023.</p>	<p>Nil</p>
<p><b>Name:</b> Mr. Vijay V Pandya</p> <p><b>Father's Name:</b> Mr. Venilal Becharadas Pandya</p> <p><b>Age:</b> 65 years</p> <p><b>Date of Birth:</b> November 27, 1958</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Residential Address:</b> C-310 Om Shreenath Kunj Co. Op. housing society, Carter Road No. 2, Opp Jagruti Hall, Borivali East S. O., Mumbai – 400066, Maharashtra, India.</p> <p><b>Occupation:</b> Retired</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointment as Non-Executive Independent Director for a period of 5 (five) years with effect from December 14, 2023.</p> <p><b>DIN:</b> 10420959</p>	<p>Appointed as Non-Executive Independent Director on December 14, 2023.</p>	<p>Nil</p>
<p><b>Name:</b> Ms. Swati Dhaval Mirani</p> <p><b>Father's Name:</b> Mr. Mohanlal Odhavjibhai Ruparel</p>	<p>Appointed as Non-Executive Independent Director on February 19, 2024.</p>	<p>Nil</p>

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Re appointment	Other Directorships
<p><b>Age:</b> 35 years</p> <p><b>Date of Birth:</b> February 01, 1989</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Residential Address:</b> Derasar Street, Darbar Gadh, Morvi, Morbi Mdg – 363641, Gujarat, India.</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointment as Non-Executive Independent Director for a period of 5 (five) years with effect from February 19, 2024</p> <p><b>DIN:</b> 10449509</p>		

### BRIEF PROFILE OF OUR DIRECTORS

**Mr. Sagar Girish Bhanushali**, aged 28 years is the Promoter, Chairman and Whole Time Director of our Company. He has completed his Bachelor's Degree in Commerce from University of Mumbai in the year 2015. He is a qualified Chartered Accountant from institute of Chartered Accountant of India. He has been only associated with our Company and is involved with our Company since the date of incorporation and was redesignated as Chairman and Whole Time Director w.e.f. December 14, 2023 for a period of 5 years. He has 4 years of experience in our Company. He is involved in formulating business strategies and effective implementation of the same. He looks after the management and operations of the company and is involved in bringing about innovation in the operations and products of the Company. He is responsible for the entire management and administration of the Company.

**Mr. Mohansingh L Parmar**, aged 41 years, is the Promoter and Managing Time Director of our Company. He has completed his Primary Education from Maharashtra State Board and First year junior college from P.D. Lions College of Commerce & Economics. He has been only associated with our Company and is involved with our Company since the date of incorporation and was redesignated as Chairman and Managing Director w.e.f. December 14, 2023 for a period of 5 years. He has 4 years of experience in our Company. He is involved in Purchasing raw material at the reasonable rates and marketing in new areas to bring in more Clients across different areas. He looks at managing funds and effective movement of working capital.

**Ms. Mahesh Virchand Mehta**, aged 62 years is the Non-Executive Independent Director of our Company. He has completed his Bachelor's Degree in Commerce from University of Mumbai in the year 1984. He has an experience of 22 years with the Cosmos Co - operative Bank Limited of working as an Assistant Manager during the end of his tenure. He was appointed as Non- Executive Independent Director in our w.e.f. December 14, 2023.

**Mr. Vijay V Pandya**, aged 65 years is the Non-Executive Independent Director of our Company. He has completed his secondary education from Maharashtra state board of secondary education poona in year 1975. He has an experience of 38 years with the Cosmos Co - operative Bank Limited of working as an Assistant Manager during the end of his tenure. He was appointed as Non- Executive Independent Director in our w.e.f. December 14, 2023.

**Ms. Swati Dhaval Mirani**, aged 35 years, is the Non-Executive Independent Director of our Company. He has completed her Bachelor's Degree in Commerce from Saurashtra University in the year 2009, Master of commerce from Saurashtra university in year 2012 and also completed diploma degree in Computer Science from Saurashtra University in the year 2010. She has an experience of 2 years of working as an accountant in K. B. Globex. She has been appointed as Non-Executive Independent Director of our Company w.e.f. February 19, 2024

### CONFIRMATIONS

As on the date of this Draft Prospectus:

- None of the Directors and Senior Management of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.
- There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
- The directors and senior management of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
- None of the Directors are categorized as a wilful defaulter or fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations.
- None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
- None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of the Promoters or Directors has been or is involved as a Promoter or Director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

#### **DETAILS OF BORROWING POWERS**

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on July 14, 2023 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100 Crores.

#### **REMUNERATION OF OUR DIRECTORS**

##### **Mr. Sagar Girish Bhanushali**

Mr. Sagar Girish Bhanushali has been a Director of the Company since incorporation. He was appointed as the Chairman & Whole Time Director of our Company for a period of five years with effect from December 14, 2023. The details of his remuneration as decided by our members with effect from December 14, 2023, for a period of three years, are as stated below:

<b>Particulars</b>	<b>Remuneration (In ₹ lakhs)</b>
Remuneration	₹ 12,00,000/- per annum.
Other benefits	The director shall be entitled to reimbursement of other expenses incurred by him for and on behalf of the Company including his travelling, boarding, lodging, communication expenses shall be reimbursed at actuals and shall not form part of his remuneration for a period of 3 years and on such terms and condition of the said designation from time to time within Schedule V of Companies Act, 2013 and any other amendments thereto or enactment thereof..

##### **Mr. Mohansingh L Parmar**

Mr. Mohansingh L Parmar has been a director of the Company since incorporation. He was appointed as the Managing Director of our Company for a period of five years with effect from December 14, 2023. The details of his remuneration as decided by our members with effect from December 14, 2023, for a period of three years, are as stated below:

Particulars	Remuneration (In ₹ lakhs)
Remuneration	₹ 12,00,000/- per annum.
Other benefits	The director shall be entitled to reimbursement of other expenses incurred by him for and on behalf of the Company including his travelling, boarding, lodging, communication expenses shall be reimbursed at actuals and shall not form part of his remuneration for a period of 3 years and on such terms and condition of the said designation from time to time within Schedule V of Companies Act, 2013 and any other amendments thereto or enactment thereof.

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, for the time being in force). Remuneration paid to the Directors from the erstwhile Limited Liability Partnership during the last F.Y. 2022 - 23 is as follows:

Sr. No.	Name	Designation	Remuneration paid (₹ in Lakhs)
1.	Mr. Sagar Girish Bhanushali	Chairman & Whole Time Director	₹ 8.50/- pa
2.	Mr. Mohansingh L Parmar	Managing Director	₹ 8.50/- pa

#### SITTING FEES

Pursuant to the resolution passed by the Board of Directors of our Company on March 06, 2024, the other Non-Executive Directors and Non-Executive Independent Directors of our Company would be entitled to a sitting fee of ₹10,000/- for attending every meeting of Board or its committee thereof.

#### REMUNERATION PAID OR PAYABLE TO OUR DIRECTORS BY OUR SUBSIDIARIES OR ASSOCIATES

As on the date of this Draft Prospectus, we do not have any subsidiaries or associates.

#### PAYMENT OF BENEFITS (NON-SALARY RELATED)

Except as disclosed above and in “Restated Financial Statements – Annexure - XXXVIII - Related Party Transactions”, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered and/or sitting fees as Directors.

#### CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS

There is no contingent or deferred compensation payable to our directors, which does not form part of their remuneration.

#### BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS

None of the Directors are party to any bonus or profit-sharing plan of our Company.

#### SHAREHOLDING OF OUR DIRECTORS

Our Articles of Association do not require our directors to hold any qualification shares.

The details of the shareholding of our Directors as on the date of this Draft Prospectus are as follows:

Name	Designation	No. of Equity Shares held	% of pre issue paid up capital	% of post issue paid up capital
Mr. Sagar Girish Bhanushali	Chairman & Whole Time Director	44,67,681	47.67 %	34.87 %



Name	Designation	No. of Equity Shares held	% of pre issue paid up capital	% of post issue paid up capital
Mr. Mohansingh L Parmar	Managing Director	49,02,588	52.31 %	38.27 %

## INTEREST OF OUR DIRECTORS

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent and reimbursement of expenses payable to them and also to other Non-Executive Directors under our Articles of Association. Further, our Directors may be deemed to be interested to the extent shareholding held by them, their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoter and in any dividend distribution which may be made by our Company in the future.

Our Directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company.

Except mentioned in the Restated Financial Statements, no loans have been availed by our directors or the Key Managerial Personnel from our Company.

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 them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

For the shareholding of our directors, please refer chapter titled “*Our Management*” on page 143 of this Draft Prospectus.

### *Interest in the property of the Company*

None of our directors have interest in any property acquired or proposed to be acquired by our Company.

### *Interest in Business of the Company*

Except as stated in the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 111 and 163 respectively and to the extent of shareholding in our Company, if any, our directors do not have any other business interest in our Company.

### *Interest in promotion of the Company*

Except for Mr. Sagar Girish Bhanushali, and Mr. Mohansingh L Parmar who are the Promoters of our Company, none of the other Directors are interested in the promotion of our Company.

Except as disclosed above, our directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machineries.

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or is intended to be paid or given to any of our directors except the normal remuneration for services rendered as Directors and/or as Key Managerial Personnel.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Sr. No.	Name of the Director	Date of Appointment / Change in designation	Reason for Change
1.	Mr. Sagar Girish Bhanushali	June 27, 2023	Appointed as First Directors
2.	Mr. Mohansingh L Parmar	June 27, 2023	Appointed as First Directors
3.	Mr. Sagar Girish Bhanushali	December 14, 2023	Change in designation as a Chairman & Whole Time Director
4.	Mr. Mohansingh L Parmar	December 14, 2023	Change in designation as a Managing Director
5.	Mr. Mahesh Virchand Mehta	December 14, 2023	Appointed as Non-Executive Independent Director to ensure better corporate governance
6.	Mr. Vijay V Pandya	December 14, 2023	Appointed as Non-Executive Independent Director to ensure better corporate governance

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Date of Appointment / Change in designation</b>	<b>Reason for Change</b>
7.	Ms. Swati Dhaval Mirani	February 19, 2024	Appointed as Non-Executive Independent Director to ensure better corporate governance
8.	Ms. Yasoda Kanwar Bhagrot	February 14, 2024	Resign from the board of director our company because of non-involvement in business

## **CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI LODR Regulations to the extent applicable to the entity whose shares are listed on Stock Exchange and shall be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including SEBI LODR Regulations, SEBI ICDR Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Draft Prospectus, our Company has 5 (Five) Directors on the Board, 1 (One) as Chairman & Whole Time Director, 1 (One) as and Managing Director, 3 (Three) as Non-Executive Independent Directors which includes 1 (One) Woman Independent Director.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI LODR Regulations: (i) Audit Committee, (ii) Stakeholders' Relationship Committee and (iii) Nomination and Remuneration Committee.

### **Audit Committee**

Our Board has constituted the Audit Committee vide Board Resolution dated March 06, 2024 which was in accordance with Section 177 of the Companies Act, 2013.

The audit committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Mahesh Virchand Mehta	Non-Executive Independent Director	Chairman
Ms. Swati Dhawal Mirani	Non-Executive Independent Director	Member
Mr. Sagar Girish Bhanushali	Chairman & Whole Time Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

- b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  9. 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;
  10. Discussion with internal auditors any significant findings and follow up there on;
  11. 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;
  12. 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;
  13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  14. To review the functioning of the Whistle Blower mechanism;
  15. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
  16. Approval or any subsequent modification of transactions of the Company with related parties;
  17. Scrutiny of inter-corporate loans and investments;
  18. Valuation of undertakings or assets of the Company, wherever it is necessary;
  19. Evaluation of internal financial controls and risk management systems;
  20. Review of management discussion and analysis report, management letters issued by the statutory auditors, etc;
  21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.
  23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

*Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.*

*Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.*

The Audit Committee enjoys following powers:

- i) To investigate any activity within its terms of reference.
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- i) Management discussion and analysis of financial condition and results of operations;
- ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses; and
- v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- vi) statement of deviations: (a) half yearly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations. (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

#### ***Meeting of Audit Committee and Relevant Quorum***

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

#### **Stakeholders' Relationship Committee**

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution dated March 06, 2024 pursuant to Section 178 of the Companies Act, 2013.

The Stakeholders' Relationship Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Mahesh Virchand Mehta	Non-Executive Independent Director	Chairman
Mr. Vijay V Pandya	Non-Executive Independent Director	Member
Mr. Mohansingh L Parmar	Managing Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1. resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

2. review of measures taken for effective exercise of voting rights by shareholders;
3. review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent;
4. review of the various measures and initiatives taken by the Company 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
5. Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6. approve, register, refuse to register transfer or transmission of shares and other securities;
7. sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. allotment and listing of shares;
9. authorise affixation of common seal of the Company;
10. issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
11. approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
12. dematerialize or rematerialize the issued shares;
13. ensure proper and timely attendance and redressal of investor queries and grievances;
14. carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time; and
15. further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

***Meeting of Stakeholders' Relationship Committee and Relevant Quorum***

The stakeholders' Relationship committee shall meet once in a year. The quorum for a meeting of the Stakeholder's Relationship Committee shall be two members present.

**Nomination and Remuneration Committee**

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution dated March 06, 2024 pursuant to section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Vijay V Pandya	Non-Executive Independent Director	Chairman
Mr. Mahesh Virchand Mehta	Non-Executive Independent Director	Member
Mr. Swati Dhawal Mirani	Non-Executive Independent Director	Member

The Company Secretary of our Company acts as the Secretary to the Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. 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:
  - i) use the services of an external agencies, if required;
  - ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii) consider the time commitments of the candidates.
3. formulation of criteria for evaluation of Independent Directors and the Board;
4. devising a policy on Board diversity;
5. 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;
6. 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. recommend to the board, all remuneration, in whatever form, payable to senior management.

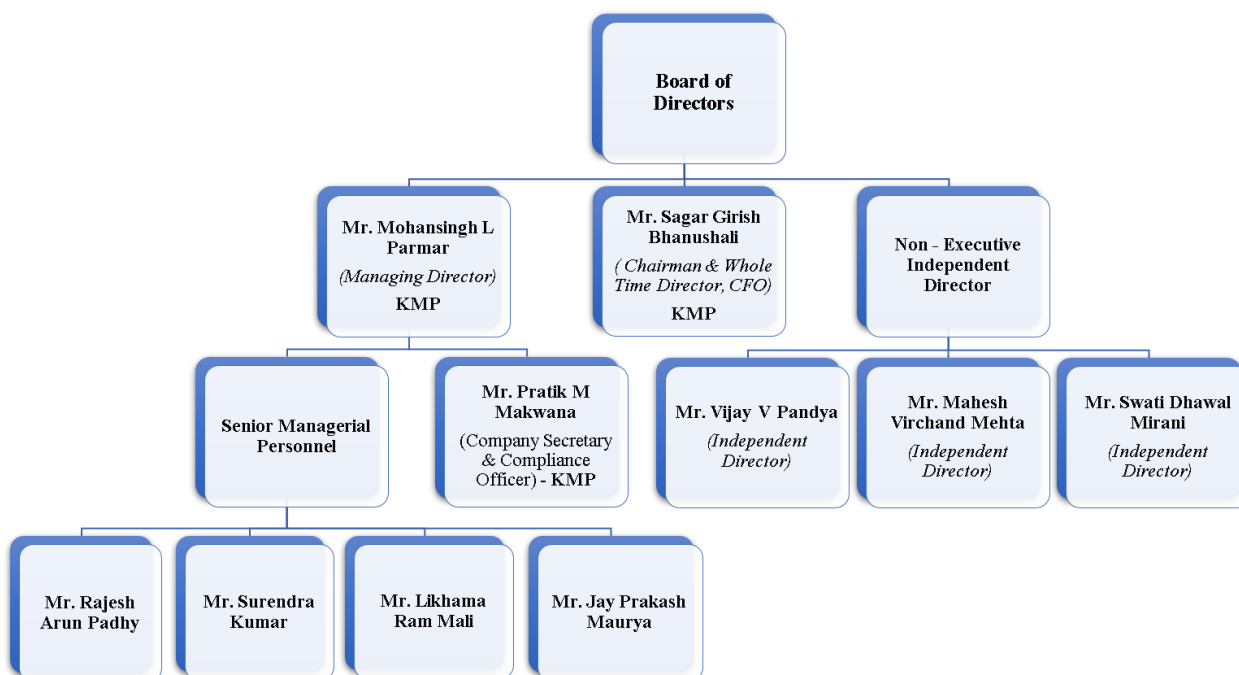
#### ***Meeting of Nomination and Remuneration Committee and Relevant Quorum***

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 9(1) of the SEBI PIT Regulations will be applicable to our Company immediately upon the listing of its Equity Shares on the NSE Emerge. We shall comply with the requirements of the SEBI PIT Regulations on listing of Equity Shares on stock exchanges. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

#### **ORGANIZATIONAL STRUCTURE**



## KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel and senior management of our Company:

The details of Key Managerial Personnel apart from our Managing Director and our Whole Time Director is mentioned below. Mr. Sagar Girish Bhanushali is the Chairman & Whole Time Director and Chief Financial Officer of our company and Mr. Mohansingh L Parmar is the Managing Director of the Company. For detailed profile, see para, “Brief Profile of our Directors” on page 140 of this Draft Prospectus.

**Mr. Pratik M Makwana**, aged 31 years, is the Company Secretary and Compliance Officer of our Company with effect from December 11, 2023. He is an Associate member of the Institute of Company Secretaries of India. He has previously worked with Radheshyan Spinning Mills Private Limited Limited as Company Secretary for a period of two year and with Akshar Spintex Limited as Company Secretary and Compliance Officer for a period of one year. He is responsible for the Secretarial, Legal and Compliance division of our Company. He was not paid any remuneration in the Fiscal Year 2022-23 as he has been appointed in our Company with effect from December 11, 2023.

### *Senior Management*

All the Senior Management are permanent employees of our Company.

In addition to the Company Secretary and Compliance Officer and the Chief Financial Officer of our Company, whose details are provided in - “*Key Managerial Personnel*” on page 171, the details of our other Senior Management are set out below:

**Mr. Jay Prakash Maurya**, aged 42 years, is the Quality Control Head of our Company for Printed Foils. He looks after the Quality Controls of all the printing Output and Doctoring Output through various Quality control Parameters set by him. He has been associated with our company since November 25, 2023. He has completed Masters in Arts from V.B.S Purvanchal University, Jaunpur in the year 2002.

**Mr. Likhama Ram Mali**, aged 52 years, he is the Production Manager of our company. He has been associated with our company since June 03, 2019 and is working with our company since then. He has completed Bachelors in Arts from Maharshi Dayanand Saraswati University, Ajmer in year 1996. He looks after all the chores of the company from Planning to dispatch and handling calls of the client related to Purchase orders. He looks after all the complaints of our interval team regarding manpower and machines both and sorts them out immediately. Managing the entire production and dispatch team on daily basis is been carried out by him quiet effectively.

**Mr. Rajesh Arun Padhy**, aged 26 years is the Operational Manager of our company. he has been associated with our company since April 05, 2021 and is working with our company since more than 2 years. He has completed Masters of Commerce from University of Mumbai, Maharashtra in the year 2020. His role includes Managing Day to day dispatches and logistics unit and carrying out proper packing and handling of all the plain and printed reels. Along with Dispatch proper maintenance of Stock register comes under his department.

**Mr. Surendra Kumar**, aged 36 years is the Quality Control head of our company for Plain Foils. He has completed Bachelor's of Arts from Chhatrapati Shahu Ji Maharaj University, Kanpur in the year 2009. He looks after the plain foil division and has set various quality parameters regarding quality check point at various stages for effective control and quality output. He has been associated with our company since January 01, 2022.

#### **STATUS OF OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

All our Key Managerial Personnel and senior management are permanent employees of our Company.

#### **RELATIONSHIP BETWEEN OUR DIRECTORS AND KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

None of our directors are related to each other or to our Key Managerial Personnel and senior management.

#### **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

None of our KMPs or senior management holds any shares of our Company as on the date of this Draft Prospectus except as stated in the below table:

<b>Name</b>	<b>Designation</b>	<b>No. of Equity Shares held</b>	<b>% of pre issue paid up capital</b>	<b>% of post issue paid up capital</b>
Mr. Sagar Girish Bhanushali	Chairman, Whole Time Director and Chief Financial Officer	44,67,681	47.67 %	34.87 %
Mr. Mohansingh L Parmar	Managing Director	49,02,588	52.31 %	38.27 %

For further details please see chapter titled "*Capital Structure*" on page 59 of this Draft Prospectus.

#### **SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Our Key Managerial Personnel and senior management have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

None of our Key Management Personnel and senior management has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel and senior management may also be deemed to be interest to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

#### **ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS**

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and senior management have been selected as the Key Managerial Personnel and senior management of our Company.

#### **BONUS OR PROFIT-SHARING PLAN OF KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

There is no profit-sharing plan for the Key Managerial Personnel and senior management. However, our Company provides performance linked bonus payments, in accordance with their terms of appointment.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**



There is no contingent or deferred compensation payable to our Directors, Key Managerial Personnel and senior management, which does not form part of their remuneration.

#### **EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN**

Our Company does not have an employee stock option scheme as on the date of this Draft Prospectus.

#### **PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT (NON-SALARY RELATED)**

No amount or benefit has been paid or given within the preceding two years or is intended to be paid or given to any officers of our Company, including our Key Managerial Personnel and Senior Management, other than normal remuneration, for services rendered as officers of our Company and other than as disclosed in “*Our Promoters and Promoter Group*” on page 143 of this Draft Prospectus.

Other than statutory benefits upon termination of their employment in our Company on retirement and, none of our Key Managerial Personnel or Senior Management have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

#### **Retirement and termination benefits**

Except applicable statutory benefits, none of our Key Managerial Personnel or Senior Management would receive any benefits on their retirement or on termination of their employment with our Company.

#### **CHANGES IN OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS**

The changes in our Key Managerial Personnel and Senior Management during the three years immediately preceding the date of filing of this Draft Prospectus are set forth below:

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment/ Change in designation</b>	<b>Reason for Change</b>
Mr. Sagar Girish Bhanushali	Chairman & Whole Time Director	December 14, 2023	Change in designation as a Chairman and Whole Time Director
Mr. Mohansingh L Parmar	Managing Director	December 14, 2023	Appointed as a Managing Director
Mr. Sagar Girish Bhanushali	Chief Financial Officer	December 11, 2023	Appointed as Chief Financial Officer
Mr. Pratik M Makwana	Company Secretary and Compliance Officer	December 11, 2023	Appointed as Company Secretary and Compliance Officer
Mr. Jay Prakash Maurya	Senior Management	December 11, 2023	Designated as Senior Management
Mr. Rajesh Arun Padhy	Senior Management	December 11, 2023	Designated as Senior Management
Mr. Surendra Kumar	Senior Management	December 11, 2023	Designated as Senior Management
Mr. Likhama Ram Mali	Senior Management	December 11, 2023	Designated as Senior Management

#### **ATTRITION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

The attrition of Key Managerial Personnel and senior management is not high in our Company compared to the industry.

## OUR PROMOTER AND PROMOTER GROUP

As on the date of this Draft Prospectus, our Promoters hold 93,70,269 Equity Shares, representing 99.99 % of the pre-issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters shareholding in our Company, please see “*Capital Structure*” beginning on page 59 of this Draft Prospectus.

The details of our Promoters are as under:

<b>Mr. Sagar Girish Bhanushali</b>	
	<p><b>Mr. Sagar Girish Bhanushali</b>, aged 28 years is the Promoter, Chairman and Whole Time Director of our Company. For his complete profile along with the details of his educational qualification, experience in the business, positions/posts held in past, directorships held, other ventures, special achievements, his business and financial activities, please refer to the chapter titled “<i>Our Management</i>” on page 143 of this Draft Prospectus.</p> <p><b>Date of Birth:</b> May 22, 1995</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> BYIPB6449K</p> <p><b>Residential Address:</b> Room No. 1, Floor 1, Jaynarayan Chawl, Aarey Road, Above Ratnamani Jeweller, Goregaon East S. O, Mumbai – 400063, Maharashtra, India.</p> <p><b>Other Interests:</b> NA</p>
<b>(i) Mr. Mohansingh L Parmar</b>	
	<p><b>Mr. Mohansingh L Parmar</b>, aged 41 years is the Promoter and Managing Director of our Company. For his complete profile along with the details of his educational qualification, experience in the business, positions/posts held in past, directorships held, other ventures, special achievements, his business and financial activities, please refer to the chapter titled “<i>Our Management</i>” on page 143 of this Draft Prospectus.</p> <p><b>Date of Birth:</b> May 03, 1982</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> AQYPP6331P</p> <p><b>Residential Address:</b> A 901, 902, Laxmi Residency, Behind Vitthal Mandir, Waliv, Vasai East, Vasai, Palghar – 401208, Maharashtra, India.</p> <p><b>Other Interests:</b> Sanjay Metal Corporation</p>

## DECLARATION

1. We confirm that the Permanent Account Number, Bank Account number, Passport number, Driving License Number, Aadhaar Card number of our Promoters have been submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

### *Undertaking/ Confirmations*

2. None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
  - Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
  - No material regulatory or disciplinary action is taken by stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
  - There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
3. None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.
  4. The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 179 of this Draft Prospectus .

#### **CHANGE IN CONTROL OF OUR COMPANY**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

#### **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page 143 of this Draft Prospectus.

#### **INTEREST OF OUR PROMOTERS**

Our Promoters do not have any interest in our Company except to the extent of Remuneration payable / paid and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on pages 59, 163 and 143 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 163 of this Draft Prospectus.

##### ***Interest of Promoters in the Promotion of our Company***

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company. For details regarding the shareholding of our Promoters in our Company, see the chapter titled ‘*Capital Structure*’ on page 59 of this Draft Prospectus.

##### ***Interest of Promoters in the Property of our Company***

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 111 and 163 respectively, of this Draft Prospectus, our Promoters has confirmed that they don’t have any interest in any property acquired by our Company within three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus.

### ***Interest in our Company other than as Promoters***

Except as mentioned in this chapter and chapters titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Restated Financial Statements*” beginning on pages 111, 140, 143 and 163, respectively, our Promoters does not have any other interest in our Company.

Our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of remuneration, commission and reimbursement of expenses payable to them as per the terms of his appointment, the Articles of Association of our Company and relevant provisions of Companies Act. For further information on our Promoter’ compensation and other details please refer to the chapter titled “*Our Management*” on page 143 of this Draft Prospectus.

Our Promoters, Mr. Mohansingh L Parmar has given collateral security and guarantee for the Credit facility availed by our company and Mr. Sagar Girish Bhanushali has given guarantee for the Credit facility availed by our Company and may be deemed to be interested to that extent. For details, please see the “*Restated Financial Statements*” on page 163 of this Draft Prospectus.

### **COMMON PURSUITS OF OUR PROMOTERS**

Except as disclosed above, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

### **RELATED PARTY TRANSACTIONS**

For the transactions with our Promoter Group entities please refer to chapter titled “*Restated Financial Statements*” on page 163 of this Draft Prospectus. Except as stated in chapter titled “*Restated Financial Statements*” on page 163 of this Draft Prospectus, and as stated therein, our Promoters or any of the Promoter Group do not have any other interest in our business.

### **PAYMENTS OR BENEFITS TO THE PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as stated in the chapter titled “*Restated Financial Statements*” beginning on page 163 of this Draft Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or members of our Promoter Group.

### **MATERIAL GUARANTEES**

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Prospectus.

Further, our Promoters have given personal properties as a collateral security and have given personal guarantee for the Credit facility availed by our Company.

### **OUR PROMOTER GROUP**

#### ***A. Natural Persons who are Part of the Promoter Group***

As per Regulation 2(1) (pp)(ii) of the SEBI ICDR Regulations, the following individuals form part of our Promoter Group:

<b>Name of the Promoters</b>	<b>Name of the Relative</b>	<b>Relationship with the Promoter</b>
<b>Mr. Sagar Girish Bhanushali</b>	Mr. Girish Shankarlal Bhanushali	Father
	Ms. Meenakshi G Bhanushali	Mother
	Ms. Rangani Krishna Balubhai	Spouse
	-	Brother
	-	Sister
	-	Son
	-	Daughter
	Late Balubhai Rangani	Spouse’s Father
	Ms. Rasila Balubhai Rangani	Spouse’s Mother
	Mr. Nikunj Balubhai Rangani	Spouse’s Brother(s)

Name of the Promoters	Name of the Relative	Relationship with the Promoter
	Mr. Jayesh Balubhai Rangani	
	-	Spouse's Sister(s)
Mr. Mohansingh L Parmar	Late. Laxmansingh Parmar	Father
	Ms. Sonibai Laxmansingh Parmar	Mother
	Ms. Meera Mohansingh Parmar	Spouse
	-	Brother
	-	Sister
	Mr. Hitesh Singh Parmar	Son
	Ms. Aarati Prakash Rajput	Daughter
	Mr. Til Singh	Spouse's Father
	Ms. Tulasi Bai	Spouse's Mother
	-	Spouse's Brother(s)
	-	Spouse's Sister

#### **B. Companies / Corporate Entities Forming Part of the Promoter Group**

As per Regulation 2(1) (pp)(iv) of the SEBI ICDR Regulations, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter Group.

Sr. No.	Name of Promoter Group Entity/Company
1.	Sanjay Metal Corporation.

#### **SHAREHOLDING OF THE PROMOTERS GROUP IN OUR COMPANY**

For details of shareholding of members of our Promoters Group as on the date of this Draft Prospectus, please see the chapter titled "*Capital Structure*" beginning on page 59 of this Draft Prospectus.

#### **COMPANIES WITH WHICH THE PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE YEARS**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus.

#### **OUTSTANDING LITIGATIONS**

There is no other outstanding litigation against our Promoters except as disclosed in the section titled "*Risk Factors*" and chapter titled "*Outstanding Litigations and Material Developments*" beginning on pages 23 and 179 respectively of this Draft Prospectus.

#### **OTHER VENTURES OF OUR PROMOTERS**

Except as disclosed in this section titled "*Our Promoter and Promoter Group*" and "*Group Company*" beginning on page 157 & 161 respectively of this Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on date of this Draft Prospectus.

## **OUR GROUP COMPANY**

The definition of 'Group Companies' as per the SEBI ICDR Regulations, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated July 07, 2023 our Group Companies includes:

- (i) Those companies disclosed as related parties in accordance with Accounting Standard ("AS 18") issued by the Institute of Chartered Accountants of India, during the period for which Financial Information is disclosed.
- (ii) All such companies which are deemed to be material by the Board of Directors.

Accordingly, based on the parameters outlined above, our Company does not have any group company as on the date of this Draft Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

**SECTION VII – FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

<b>Sr No.</b>	<b>Particulars</b>	<b>Page No</b>
1.	Restated Financial Statements	F-1 to F-30

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**INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION**  
**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

**To,**  
**The Board of Directors,**  
**GSM Foils Limited**

Dear Sir,

We have examined the attached Restated Audited Financial Information of GSM Foils Limited (*hereinafter referred as "the Company" which was incorporated pursuant to conversion of "GSM Foils LLP" (erstwhile Partnership Firm)*) comprising the Restated Audited Statement of Assets and Liabilities as at December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021. the Restated Audited Statement of Profit & Loss, the Restated Audited Cash Flow Statement for the financial year ended December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on March 22, 2024. for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") as amended (ICDR Regulations"); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI");
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").

The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Ahmedabad in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company for the financial year ended December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 on the basis of preparation stated in ANNEXURE – D to the Restated Financial Information. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated February 10, 2024. in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and ,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Restated Financial Information have been compiled by the management from:

- a) Audited financial statements of company as at and for the period ended December 31, 2023 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.
- b) Audited Financial Statement for the stub period ended on June 26, 2023 & for financial year ended March 31, 2023 & March 31, 2022 & March 31, 2021 prepared in accordance with the Accounting Principles generally accepted in India by making adjustments for Indian GAAP as applicable to corporates and which have been approved by the board of directors.

We have audited the special purpose financial information of the Company for the stub period ended on December 31, 2023, June 26, 2023 & financial year ended March 31, 2023 prepared by the Company in accordance with the AS for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated March 22, 2023 on these special-purpose financial information to the Board of Directors who have approved these in their meeting held on March 22, 2023.

For the purpose of our examination, we have relied on:

- a) Auditors’ Report issued by the statutory Auditor i.e. M/s AMB Jain & Co. & SSAAM & Co. (the “Statutory Auditors”) dated March 15, 2024, January 04, 2024, September 30, 2023, September 27, 2022 & September 03, 2021 for the Period ended on December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 respectively.
- b) The audit were conducted by the Company’s statutory auditor, and accordingly reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and (collectively, the Audited Financial Statement”) examined by them for the said years.

The modification in restated financials were carried out based on the modified reports, if any, issued by statutory auditor which is giving rise to modifications on the financial statements as at and for the periods ended December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021. There is no qualification of statutory auditor for the Financial Statement of December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the period ended on December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021:-

- a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Reports issued by M/s AMB Jain & Co. & SSAAM & Co.. for the Period Ended on December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 which would require adjustments in this Restated Financial Statements of the Company;

- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this report;
- f) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
- g) There was a change in method of Depreciation. Since Partnership Firm is converted into company w.e.f. 26<sup>th</sup> June, 2023, so in Audited Financials Depreciation is charged at rates specified under income tax act since it was a Limited Liability Partnership, which was charged in Restatement as per Companies Act, 2013;
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement
- i) The Company has not paid any dividend since its incorporation.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Restated Statement of Assets and Liabilities” as set out in ANNEXURE – A to this report, of the Company as at Period Ended on December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- b) The “Restated Statement of Profit and Loss” as set out in ANNEXURE – B to this report, of the Company for Period Ended on December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- c) The “Restated Statement of Cash Flow” as set out in ANNEXURE – C to this report, of the Company Period Ended on December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the Period Ended on December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Statement of Partner’s Capital, Share Capital, Reserves And Surplus	Annexure – A.1 & Annexure – A.2
Restated Statement of Long Term Borrowing	Annexure – A.3
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure – A.4
Restated Statement of Short Term Borrowing	Annexure – A.5

Restated Statement of Trade Payables	Annexure – A.6
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure – A.7 & Annexure – A.8
Restated Statement of Fixed Assets	Annexure – A.9
Restated Statement of Other Non Current Assets	Annexure – A.10
Restated Statement of Inventories	Annexure – A.11
Restated Statement of Trade Receivables	Annexure – A.12
Restated Statement of Cash & Cash Equivalents	Annexure – A.13
Restated Statement of Short Term Loans & Advances	Annexure – A.14
Restated Statement of Other Current Assets	Annexure – A.15
Restated Statement of Revenue from Operations	Annexure – B.1
Restated Statement of Other Income	Annexure – B.2
Restated Statement of Cost of Material Consumed	Annexure – B.3
Restated Statement of Changes in Inventory of WIP, Finished Goods & Stock in Trade	Annexure – B.4
Restated Statement of Employee Benefit Expenses	Annexure - B.5
Restated Statement of Finance Cost	Annexure - B.6
Restated Statement of Depreciation & Amortisation	Annexure - B.7
Restated Statement of Other Expenses	Annexure - B.8
Restated Statement of Deferred Tax Asset / Liabilities	Annexure - B.9
Material Adjustment to the Restated Financial	Annexure – E
Restated Statement of Tax shelter	Annexure – F
Restated Statement of Capitalization	Annexure – G
Restated Statement of Contingent Liabilities	Annexure – H
Restated Statement of Accounting Ratios	Annexure – I
Restated statement of related party transaction	Annexure – J

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – D are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. A Y & Company, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – A to J of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For, M/s A Y & CO.**  
**Chartered Accountants**  
**Firm Registration Number: - 020829C**  
**Peer Review No. -013225**

**CA Arpit Gupta**  
**(Partner)**  
**Membership No.421544**  
**UDIN – 24421544BKFPIQ4474**  
**Date: March 22, 2024**  
**Place: Thane**

**GSM FOILS LIMITED**  
(FORMERLY KNOWN AS GSM FOILS LLP)

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

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at December 31, 2023	As at June 26, 2023	As at 31st March		
					2023	2022	2021
<b>A.</b>	<b>Equity and Liabilities</b>						
<b>1</b>	<b>Shareholders' Funds</b>						
	Partner's Capital/ Share Capital	A.1	2.20	929.75	835.73	659.06	657.82
	Reserves & Surplus	A.2	124.79	-	-	-	-
	Share application money pending allotment		-	-	-	-	-
<b>2</b>	<b>Non-Current Liabilities</b>						
	Long-Term Borrowings	A.3	38.27	87.64	114.17	109.14	-
	Other Non-Current Liabilities						
	Long-Term Provisions		-	-	-	-	-
	Deferred Tax Liabilities (Net)	A.4	-	0.07	0.28	-	0.37
<b>3</b>	<b>Current Liabilities</b>						
	Short Term Borrowings	A.5	1,374.68	122.81	128.26	110.06	-
	Trade Payables :	A.6					
	(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises." ]	A.6	540.68	251.85	249.09	128.09	22.92
	Other Current Liabilities	A.7	64.92	14.17	23.97	11.81	22.93
	Short Term Provisions	A.8	62.62	20.26	86.70	32.50	16.54
	<b>Total</b>		<b>2,208.17</b>	<b>1,426.55</b>	<b>1,438.18</b>	<b>1,050.65</b>	<b>720.57</b>
<b>B.</b>	<b>Assets</b>						
<b>1</b>	<b>Non-Current Assets</b>						
	Property, Plant and Equipment						
	Tangible Assets	A.9	86.32	95.19	91.81	34.97	42.73
	Intangible Assets		-	-	-	-	-
	Capital Work in progress		-	-	-	-	-
	Intangible Assets Under Development		-	-	-	-	-
	Non-Current Investments		-	-	-	-	-
	Deferred Tax Assets	A.4	0.32	-	-	0.03	-
	Long Term Loans & Advances		-	-	-	-	-
	Other Non Current Assets	A.10	26.36	9.91	10.00	9.50	2.11
<b>2</b>	<b>Current Assets</b>						
	Current Investments		-	-	-	-	-
	Inventories	A.11	1,102.90	564.12	551.48	527.85	270.71
	Trade Receivables	A.12	700.59	677.04	681.64	399.98	308.52
	Cash and Cash Equivalents	A.13	41.26	28.77	49.10	41.11	77.40
	Short-Term Loans and Advances	A.14	203.81	51.48	53.39	16.77	6.62
	Other Current Assets	A.15	46.61	0.03	0.77	20.44	12.48
	<b>Total</b>		<b>2,208.17</b>	<b>1,426.55</b>	<b>1,438.18</b>	<b>1,050.65</b>	<b>720.57</b>

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

For M/s A Y & Company  
Chartered Accountants  
Firm Registration No : 020829C

On behalf of Board of Directors

CA Arpit Gupta  
Partner  
M. No. 421544  
UDIN : 24421544BKFPQ4474

Sagar Girish Bhanushali  
Chairman Cum CFO  
DIN : 09126902

Mohansingh Laxmansingh Parmar  
Managing Director  
DIN : 08413828

Pratik Mukeshbhai Makwana  
Company Secretary

Date : 22.03.2024  
Place : Thane

**GSM FOILS LIMITED**  
**(FORMERLY KNOWN AS GSM FOILS LLP)**

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

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For the Period ended December 31, 2023	For the Period ended June 26, 2023	For The Year Ended 31st March		
					2023	2022	2021
<b>A.</b>	<b>Revenue:</b>						
	Revenue from Operations	<b>B.1</b>	2717.87	1091.66	6588.35	7185.04	3646.23
	Other income	<b>B.2</b>	0.00	0.00	0.33	0.00	-
	<b>Total Income</b>		<b>2717.87</b>	<b>1091.66</b>	<b>6588.69</b>	<b>7185.04</b>	<b>3646.23</b>
<b>B.</b>	<b>Expenses:</b>						
	Cost of Material Consumed	<b>B.3</b>	2549.68	894.77	5960.20	6933.83	3413.78
	Change in Inventories of WIP, Finished Goods & Stock in Trade	<b>B.4</b>	(410.94)	(4.70)	(45.57)	(227.15)	(55.22)
	Employees Benefit Expenses	<b>B.5</b>	67.03	26.56	118.81	115.91	68.33
	Finance costs	<b>B.6</b>	27.08	11.63	37.76	27.95	12.00
	Depreciation and Amortization	<b>B.7</b>	8.88	4.22	14.53	7.76	9.24
	Other expenses	<b>B.8</b>	309.38	87.81	271.41	230.87	147.27
	<b>Total Expenses</b>		<b>2551.11</b>	<b>1020.28</b>	<b>6357.14</b>	<b>7089.17</b>	<b>3595.40</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>166.76</b>	<b>71.38</b>	<b>231.54</b>	<b>95.87</b>	<b>50.83</b>
	Exceptional Items		-	-	-	-	-
	<b>Profit before extraordinary items and tax</b>		<b>166.76</b>	<b>71.38</b>	<b>231.54</b>	<b>95.87</b>	<b>50.83</b>
	Extraordinary items		-	-	-	-	-
	<b>Profit before tax</b>		<b>166.76</b>	<b>71.38</b>	<b>231.54</b>	<b>95.87</b>	<b>50.83</b>
	<b>Tax expense :</b>						
	Current tax		42.36	21.66	88.27	32.61	16.54
	Deferred Tax	<b>B.9</b>	(0.39)	(0.20)	0.30	(0.39)	0.37
	Profit (Loss) for the period from continuing operations		<b>124.79</b>	<b>49.93</b>	<b>142.97</b>	<b>63.65</b>	<b>33.93</b>
	<b>Earning per equity share in Rs.:</b>						
	(1) Basic		24.66	9.87	28.25	12.58	6.71
	(2) Diluted		24.66	9.87	28.25	12.58	6.71

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

For M/s A Y & Company  
Chartered Accountants  
Firm Registration No : 020829C

On behalf of Board of Directors

Sagar Girish Bhanushali  
Chairman Cum CFO  
DIN : 09126902

Mohansingh Laxmansingh Parmar  
Managing Director  
DIN : 08413828

CA Arpit Gupta  
Partner  
M. No. 421544  
UDIN : 24421544BKFPQ4474

Pratik Mukeshbhai Makwana  
Company Secretary

Date : 22.03.2024  
Place : Thane

**GSM FOILS LIMITED**  
(FORMERLY KNOWN AS GSM FOILS LLP)

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

(Rs. in Lakhs)

Particulars	For the Period ended December 31, 2023	For the Period ended June 26, 2023	For The Year Ended 31st March		
			2023	2022	2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit/ (Loss) before tax	166.76	71.38	231.54	95.87	50.83
Adjustments for:					
Depreciation	8.88	4.22	14.53	7.76	9.24
Finance Cost	27.08	11.63	37.76	27.95	12.00
Interest Income	-	-	(0.33)	-	-
<b>Operating profit before working capital changes</b>	<b>202.72</b>	<b>87.22</b>	<b>283.51</b>	<b>131.58</b>	<b>72.07</b>
Movements in working capital :					
(Increase)/Decrease in Inventories	(551.42)	(12.64)	(23.63)	(257.14)	(68.07)
(Increase)/Decrease in Trade Receivables	(18.95)	4.60	(281.66)	(91.46)	(45.77)
(Increase)/Decrease in Short Term Loans & Advances	(150.43)	1.90	(36.62)	(10.14)	(6.62)
(Increase)/Decrease in Other Current Assets	(45.84)	0.74	19.67	(7.96)	9.73
Increase/(Decrease) in Trade Payables	291.60	2.76	121.00	105.17	(82.32)
Increase/(Decrease) in Other Current Liabilities	40.95	(9.80)	12.16	(11.12)	22.80
<b>Cash generated from operations</b>	<b>(231.37)</b>	<b>74.79</b>	<b>94.43</b>	<b>(141.08)</b>	<b>(98.19)</b>
Income tax paid during the year	-	88.09	34.07	16.65	-
<b>Net cash from operating activities (A)</b>	<b>(231.37)</b>	<b>(13.30)</b>	<b>60.36</b>	<b>(157.72)</b>	<b>(98.19)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Interest Income	-	-	0.33	-	-
Purchase of Fixed Assets	-	(7.60)	(71.37)	-	(2.13)
Increase/(Decrease) in Other Non Current Assets	(16.36)	0.09	(0.50)	(7.39)	5.59
<b>Net cash from investing activities (B)</b>	<b>(16.36)</b>	<b>(7.51)</b>	<b>(71.54)</b>	<b>(7.39)</b>	<b>3.46</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Interest paid on borrowings	(27.08)	(11.63)	(37.76)	(27.95)	(12.00)
Proceeds/(Repayment) of Borrowings	1,170.53	(31.98)	23.23	219.20	-
Proceeds from Issue of Share Capital	2.20	-	-	-	-
Increase/Decrease in Partners Capital	(885.43)	44.08	33.70	(62.42)	116.04
<b>Net cash from financing activities (C)</b>	<b>260.23</b>	<b>0.48</b>	<b>19.17</b>	<b>128.83</b>	<b>104.04</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>12.50</b>	<b>(20.34)</b>	<b>7.99</b>	<b>(36.28)</b>	<b>9.31</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>28.77</b>	<b>49.10</b>	<b>41.11</b>	<b>77.40</b>	<b>68.09</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>41.26</b>	<b>28.77</b>	<b>49.10</b>	<b>41.11</b>	<b>77.40</b>
<b>Cash &amp; Cash Equivalent Comprises</b>					
Cash in Hand	20.52	16.26	17.51	10.25	8.70
Balance With Bank in Current Accounts	20.75	12.51	31.59	30.86	68.70
Balance with Bank in Deposits Accounts	0.00	0.00	0.00	0.00	0.00

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

For M/s A Y & Company  
Chartered Accountants  
Firm Registration No : 020829C

On behalf of Board of Directors

CA Arpit Gupta  
Partner  
M. No. 421544  
UDIN : 24421544BKFPIQ4474

Sagar Girish Bhanushali  
Chairman Cum CFO  
DIN : 09126902

Mohansingh Laxmansingh Parmar  
Managing Director  
DIN : 08413828

Pratik Mukeshbhai Makwana  
Company Secretary

Date : 22.03.2024  
Place : Thane



## ANNEXURE – D

### SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS RESTATED

#### A. COMPANY INFORMATION

Our Company was originally formed as a Limited Liability partnership (“LLP”) under the name and style of “GSM Foils LLP” pursuant to a Certificate of incorporation issued by Registrar of Companies, Central Registration Centre, dated April 05, 2019 with LLP registration number being AAO-7932. GSM Foils LLP was thereafter converted into a Private Limited Company “GSM Foils Private Limited” pursuant to the provisions of Chapter XXI of the Companies Act, 2013 and fresh a certificate of incorporation dated June 27, 2023 was issued by Registrar of Companies, Central Registration Centre Subsequently, our Company has been converted into a public limited company and the name of our Company changed to “GSM Foils Limited” pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on July 14, 2023 and a fresh Certificate of incorporation dated September 04 2023 issued by the Registrar of Companies, Mumbai.

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. Accounting Convention

The financial statements are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 or 2001 as may be applicable and with the relevant provisions of the Companies Act, 2013 and rules made there under.

##### 2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

##### 3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

##### 4. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

## 5. Depreciation

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be. Since Partnership Firm is converted into company w.e.f. 27<sup>th</sup> June 2023, so in Audited Financials Depreciation is charged at rates specified under income tax act since it was a Limited Liability Partnership, which was charged in Restatement as per Companies Act, 2013.

## 6. Investments

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## 7. Inventories

As per (AS) 2, The inventories are physically verified at regular intervals by the management. Raw Material Inventories are valued at the lower of cost and net realizable value.

Finished goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Consumable stores and spares are valued at the lower of cost and net realizable value, as estimated by the management. Obsolete, defective, unserviceable and slow/non-moving stocks are duly provided for.

## 8. Revenue Recognition

Sales revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods or services are recognized on delivery of the products or services, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained.

In the financial statement, revenue from operation does not include Indirect taxes like Sales Tax And/ Or Goods & Service Tax.

### Sale of Goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincide with the delivery of goods to the customers. The Company collects Goods and Service Tax (GST) and / or Tax Collected at source on behalf of the government and, therefore, these do not form a part of economic benefits flowing to the Company.

Hence, they are excluded from revenue.

### Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### Service Income

Income from service rendered is recognised based on the terms of the agreements as and when services are rendered and are net of Goods and Service Tax (GST)/ Service tax.

### Dividend Income

Dividend income from investments, if any, is accounted on the receipt basis.

### Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

## **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post-employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized/accrued.

## **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## **12. Foreign Currency Translation**

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

## **13. Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

## **B. NOTES ON ACCOUNTS**

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

### **2. Segment Reporting**

The Company at present is engaged in the Business of Manufacturing, aluminium pharma foils & bare aluminium foils In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

### **3. Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on December 31, 2023, June 26, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 except as mentioned in Annexure-H, for any of the years/ stub period covered by the statements.

### **4. Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006 or 2001 as may be applicable, as amended, in the Annexure – J of the enclosed financial statements.

5. After the conversion of LLP into Private Limited Company, company has filed statutory returns such as GST, TDS etc. with the respective departments in the name of erstwhile Limited Liability Partnership till receipt of registration on the name of newly converted company from such statutory departments. Sale, Purchase, Direct & Indirect Expenses recorded in the books of erstwhile Limited Liability Partnership till receipt of registration in the name of newly converted company. After that some portion of purchase, sales, Direct & Indirect Expenses recorded in the books of erstwhile partnership file till date as LLP is converted and dissolved on 26.06.2023 so erstwhile transaction of partnership firm is deemed to be the transaction of newly incorporated company.
6. **Post Employment Benefits:** The Company does not provide gratuity valuation in its financials statements.
7. **Accounting for Deferred Taxes on Income (AS 22)**

**(Rs. In Lakhs)**

Particulars	As at December 31, 2023	As at June 26, 2023	As at 31st March		
			2023	2022	2021
WDV as per Companies Act, 2013 (A)	86.32	95.19	91.81	34.97	42.73
WDV as per Income tax Act, 1961 (B)	87.57	94.90	90.72	35.09	41.28
Difference in WDV (A-B)	(1.26)	0.29	1.09	(0.12)	1.45
Total Timing Difference	(1.26)	0.29	1.09	(0.12)	1.45
Deferred Tax (Asset)/ Liability '(C)	(0.32)	0.07	0.28	(0.03)	0.37
Restated Closing Balance of Deferred Tax (Asset)/ Liability	(0.32)	0.07	0.28	(0.03)	0.37
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	0.07	0.28	(0.03)	0.37	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.39)	(0.20)	0.30	(0.39)	0.37

#### MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

##### 1. Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

##### 2. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

**(Rs. In Lakhs)**

Particulars	For the Period Ended December 31, 2023	For the Period Ended June 26,2023	For The Year Ended March 31,		
			2023	2022	2021
<b>(A) Net Profits as per audited financial statements (A)</b>	110.82	51.16	229.82	101.90	53.14
<b>Add/(Less) : Adjustments on account of -</b>					
1) Difference on Account of Calculation in Provision for Income Tax	(4.46)	0.26	(88.27)	(32.61)	(16.54)
2) Difference on Account of Calculation in Deferred Tax	0.71	0.20	(0.30)	0.39	(0.37)
3) Difference on account of Calculation in Depreciation	-	(0.80)	1.21	(1.57)	(1.95)
4) Adjustment on Account of Provision for Outstanding Expenses	-	(10.26)	(10.11)	(10.78)	(5.80)
5) Adjustment on Account of Prior Period Items	10.26	10.11	10.78	5.80	5.03
6) Adjustment on Account of Prepaid Expenses	7.47	(0.74)	(0.16)	0.51	0.42
<b>Total Adjustments (B)</b>	<b>13.98</b>	<b>(1.23)</b>	<b>(86.85)</b>	<b>(38.25)</b>	<b>(19.21)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>124.80</b>	<b>49.93</b>	<b>142.97</b>	<b>63.65</b>	<b>33.93</b>

##### 3. Notes on Material Adjustments pertaining to prior years

- (1) **Difference on Account of Provision for Current tax:** Since the Restated profit has been changed so that the Provision for current tax is also got changed
- (2) **Difference on Account of Change in Deferred Tax:** Deferred tax is calculated on the difference of WDV as per Companies Act & income tax Act in Restated financials but in Audited financials the same has not been calculated.
- (3) **Difference on Account of Change in Method of Depreciation:** Since Partnership Firm is converted into company w.e.f. 2<sup>nd</sup> August 2023, So in Audited Financials Depreciation is charged at rates specified under income tax act since it was a Limited Liability Partnership, which was charged in Restatement as per Companies Act, 2013.
- (4) **Difference on Account of Provision for Outstanding Expenses:** Provision is created for Outstanding Expenses related to Current Financial Year which was not done in Audited Financials.
- (5) **Difference on Account of Provision for Prior Period Expenses:** Prior Period items debited to current period in Audited Financials was transferred in that particular period in Restated Financials.
- (6) **Difference on Account of Provision for Prepaid Expenses:** Expenses Related to Next Accounting Period was transferred to that Particular Period which was not considered in Audited Financials.

**Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

(Rs. In Lakhs)

Particulars	For the Period Ended Decmeber 31, 2023	For the Period Ended June 26,2023	For The Year Ended March 31,		
			2023	2022	2021
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	113.31	938.10	930.95	701.49	678.66
Add/(Less) : Adjustments on account of Restatements of Financials	13.69	-8.36	-95.22	-42.43	-20.83
<b>Total Adjustments (B)</b>	<b>13.69</b>	<b>(8.36)</b>	<b>(95.22)</b>	<b>(42.43)</b>	<b>(20.83)</b>
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	127.00	929.74	835.73	659.06	657.82

**8. Trade Payable Ageing Summary**

**31.12.2023**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	540.68	-	-	-	540.68
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>540.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540.68</b>

**26.06.2023**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	251.08	-	0.77	-	251.85
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

<b>Total</b>	<b>251.08</b>	<b>-</b>	<b>0.77</b>	<b>-</b>	<b>251.85</b>
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**31.03.2023**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	248.32	0.77	-	-	249.09
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>248.32</b>	<b>0.77</b>	<b>-</b>	<b>-</b>	<b>249.09</b>

**31.03.2022**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	128.09	-	-	-	128.09
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>128.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128.09</b>

**31.03.2021**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	22.92	-	-	-	22.92
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>22.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.92</b>

**9. Trade Receivable Ageing Summary**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>31.12.2023</b>						
(i) Undisputed Trade Receivable – considered good	655.19	16.69	16.89	11.82	-	700.59
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>26.06.2023</b>						
(i) Undisputed Trade Receivable – considered good	568.97	58.46	49.61	-	-	677.04
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-

(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>31.03.2023</b>						
(i) Undisputed Trade Receivable – considered good	605.32	76.32	-	-	-	<b>681.64</b>
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>31.03.2022</b>						
(i) Undisputed Trade Receivable – considered good	341.95	57.06	0.07	0.90	-	399.98
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>31.03.2021</b>						
(i) Undisputed Trade Receivable – considered good	306.13	1.49	0.90	-	-	308.52
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-

#### 10. Restated Statement of Accounting Ratios:

S. No.	Particular	Numerator	December 31, 2023	June 26, 2023	March 31, 2023	March 31, 2022	March 31, 2021	Reason for Movements
		Denominator						
(a)	Current Ratio	Current Assets	1.03	3.23	2.74	3.56	10.83	This ratio is declined during the periods due to decrease in current assets
		Current Liabilities						
(b)	Debt-Equity Ratio	Debt	11.13	0.23	0.29	0.33	-	This Ratio is increased due to increase in Debts.
		Equity						
(c)	Debt Service Coverage Ratio	Net Operating Income	(0.17)	2.73	(12.21)	(0.60)	-	This Ratio is increased due to increase in Debts.
		Total Debt Service						
(d)	Return on Equity Ratio	Profit After Tax	23.62	5.66	19.13	9.67	5.30	This Ratio is increases due to increase in PAT.
		Average Shareholders Equity						
(e)	Trade Receivables turnover ratio (in times)	Net Credit Sales	3.95	1.61	12.18	20.28	12.77	This Ratio is moved due to movement in Sales.
		Average Trade Receivables						
(f)	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	6.43	3.57	31.60	91.83	53.27	This ratio is increased/decreased due to movement in purchases.
		Average Trade Payables						
(g)	Net capital turnover ratio (in times)	Turnover	52.00	1.20	7.77	9.93	5.94	This Ratio is increased due to increase in turnover.
		Net Working Capital						
(h)	Net profit ratio	Profit After	4.59					This ratio is

		Tax		4.57	2.17	0.89	0.93	increased due to
		Total Sales						increase in profit
(i)	Return on Capital employed	Operating Profit	1.60	0.09	0.34	0.20	0.11	This ratio is increased due to increase in operating profit
		Total Capital Employed						
		Total Interest Service						



**ANNEXURE - A.1 : Restated Statement of Partner's Capital**

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
<b>Shareholders Fund</b>					
<b>(A) Partner's Current Capital Account</b>					
Opening Balance	929.75	835.73	659.06	654.52	622.22
Add : Fresh Capital Introduced during the year	0.00	102.09	175.04	257.70	0.00
Less : Capital Withdrawn during the year	0.00	61.00	163.08	340.34	0.00
Add : Remuneration/Salary	0.00	3.00	17.00	22.00	0.00
Add: IT Refund	0.00	0.00	4.74	0.00	0.00
Add : Share of Profit from the firm	0.00	49.93	142.97	63.65	33.93
Add: Adjustment due to change in method of Depreciation	0.00	0.00	0.00	0.00	3.40
Less: Prior Period Items	0.00	0.00	0.00	0.67	5.03
Less: Capital Converted into Equity during the Period	2.20	0.00	0.00	0.00	0.00
Add : Fixed Capital Converted into Current Capital during the Period	927.55	0.00	0.00	2.20	0.00
Closing Balance	<b>1855.09</b>	<b>929.75</b>	<b>835.73</b>	<b>659.06</b>	<b>654.52</b>
<b>(A) Partner's Fixed Capital Account</b>					
Opening Balance	0.00	0.00	0.00	3.30	3.30
Add : Fresh Capital Introduced during the year	0.00	0.00	0.00	0.00	0.00
Less : Capital Withdrawn during the year	0.00	0.00	0.00	3.30	0.00
Less: Capital Converted into Equity during the Period	0.00	0.00	0.00	0.00	0.00
Closing Balance	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.30</b>
<b>Total</b>	<b>1855.09</b>	<b>929.75</b>	<b>835.73</b>	<b>659.06</b>	<b>657.82</b>

Note A.1.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE - A.1.2 : Restated Statement of Share Capital**

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
<b>Equity Share Capital</b>					
<b>Authorised Share Capital</b>					
180,00,000 Equity Shares of Rs. 10 Each	1,800.00				
<b>Total</b>	<b>1,800.00</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>					
22,000 Equity Shares of Rs. 10 Each	2.20				
<b>Total</b>	<b>2.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**A.1.2.1 Right, Preferences and Restrictions attached to Shares :**

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for on vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

The Company has made Bonus Issue of 8964186 Shares pursuant to shareholder resolution approved vide Extra - Ordinary General meeting held on February 28, 2024

**Notes :**
**A.1.2.2 Reconciliation of Number of Shares**

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
<b>Equity Shares</b>					
Shares outstanding at the beginning of the year	-	-	-	-	-
Shares issued during the year (Rights Issue)	22,000				
Share outstanding at the end of the year	<b>22,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE – A.2 : Restated Statement of Reserves and Surplus**

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
<b>Reserves &amp; Surplus</b>					
<b>I. Securities Premium</b>					
Balance as at the beginning of the year	-	-	-	-	-
Addition during the year					
Issued for Bonus Issue					
Balance as at the end of the year	-	-	-	-	-
<b>Balance in Statement of Profit &amp; Loss</b>					
Balance as at the beginning of the year	-	-	-	-	-
Add: Profit/ (Loss) for the year	124.79				
Less : Bonus Shares Issued during the year					
Balance as at the end of the year	<b>124.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>124.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note A.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.3 :Restated Statement of Long Term Borrowings**

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
<b>Secured:</b>					
From Bank/NBFC:	-	13.20	12.61	-	-
<b>Unsecured:</b>					
Loan from Bank/NBFC	38.27	74.44	101.56	109.14	-
<b>Total</b>	<b>38.27</b>	<b>87.64</b>	<b>114.17</b>	<b>109.14</b>	<b>-</b>

Note A.3.1: There were no re-schedulement or default in the repayment of loans taken by the Company.

Note A.3.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.4: Restated Statement of Deferred Tax Assets/(Liabilities) (Net)**

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
<b>Deferred Tax Liability</b>					
Related to Fixed Assets	(0.32)	-	0.28	-	0.37
Loss Carried forward					
<b>Total (a)</b>	<b>(0.32)</b>	<b>-</b>	<b>0.28</b>	<b>-</b>	<b>0.37</b>
<b>Deferred Tax Assets</b>					
Related to Fixed Assets	-	0.07	-	0.03	-
Loss Carried forward					
<b>Total (b)</b>	<b>0.00</b>	<b>0.07</b>	<b>0.00</b>	<b>0.03</b>	<b>0.00</b>
<b>Net deferred tax asset/(liability){(b)-(a)}</b>	<b>0.32</b>	<b>0.07</b>	<b>-0.28</b>	<b>0.03</b>	<b>-0.37</b>

Note A.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.5 : Restated Statement of Short Term Borrowings

(Rs. In Lakhs)

Particulars	As at December 31,	As at June 26, 2023	As at 31st March		
	2023		2023	2022	2021
<b>Secured:</b>					
From Bank	373.39	-	-	-	-
Current Maturities of Long Term Debt	114.21	122.81	128.26	110.06	
<b>Unsecured:</b>					
Loan from Directors	887.08	-	-	-	-
<b>Total</b>	<b>1,374.68</b>	<b>122.81</b>	<b>128.26</b>	<b>110.06</b>	<b>-</b>

Note A.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.6 : Restated Statement of Trade Payables

(Rs. In Lakhs)

Particulars	As at December 31,	As at June 26, 2023	As at 31st March		
	2023		2023	2022	2021
Trade Payables due to					
- Micro and Small Enterprises	-	-	-	-	-
- Others	-	-	-	-	-
- Promoter/Promoter Group	-	-	-	-	-
- Others	540.68	251.85	249.09	128.09	22.92
<b>Total</b>	<b>540.68</b>	<b>251.85</b>	<b>249.09</b>	<b>128.09</b>	<b>22.92</b>

Note A.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.7 : Restated Statement of Other Current Liabilities

(Rs. In Lakhs)

Particulars	As at December 31,	As at June 26, 2023	As at 31st March		
	2023		2023	2022	2021
Adv. Received from Trade Debtors	-	-	-	-	16.64
Other Payables	52.35				
Expenses Payables	11.53	10.26	10.11	10.78	5.80
Statutory Dues	1.04	3.90	13.86	1.02	0.49
<b>Grand Total</b>	<b>64.92</b>	<b>14.17</b>	<b>23.97</b>	<b>11.81</b>	<b>22.93</b>

Note A.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.8 : Restated Statement of Short Term Provisions

(Rs. In Lakhs)

Particulars	As at December 31,	As at June 26, 2023	As at 31st March		
	2023		2023	2022	2021
Provision for Income Tax	62.62	20.26	86.70	32.50	16.54
<b>Grand Total</b>	<b>62.62</b>	<b>20.26</b>	<b>86.70</b>	<b>32.50</b>	<b>16.54</b>

Note A.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.10 : Restated Statement of Other Non Current Assets

(Rs. In Lakhs)

Particulars	As at December 31,	As at June 26, 2023	As at 31st March		
	2023		2023	2022	2021
Deposits	26.36	9.91	10.00	9.50	2.11
<b>Grand Total</b>	<b>26.36</b>	<b>9.91</b>	<b>10.00</b>	<b>9.50</b>	<b>2.11</b>

Note A.10.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.11 : Restated Statement of Inventories

(Rs. In Lakhs)

Particulars	As at December 31,	As at June 26, 2023	As at 31st March		
	2023		2023	2022	2021
Finished Goods	923.50	512.56	507.86	462.29	235.14
Raw Material	179.39	51.56	43.62	65.56	35.57
<b>Grand Total</b>	<b>1,102.90</b>	<b>564.12</b>	<b>551.48</b>	<b>527.85</b>	<b>270.71</b>

Note A.11.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.12 : Restated Statement of Trade Receivables

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>					
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-	-
Others	18.05	108.07	76.32	58.02	19.02
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>					
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.					
Others	682.54	568.98	605.33	341.96	289.50
<b>Grand Total</b>	<b>700.59</b>	<b>677.04</b>	<b>681.64</b>	<b>399.98</b>	<b>308.52</b>

Note A.12.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D.A,B,C.

## ANNEXURE – A.13 : Restated Statement of Cash and Bank Balances

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	2023	2023	2022	2021
<b>Cash &amp; Cash Equivalents</b>					
Cash in hand	20.52	16.26	17.51	10.25	8.70
<b>Balances with Banks:</b>					
In Current Accounts	20.75	12.51	31.59	30.86	68.70
In Deposit Accounts	-	-	-	-	-
<b>Grand Total</b>	<b>41.26</b>	<b>28.77</b>	<b>49.10</b>	<b>41.11</b>	<b>77.40</b>

Note A.13.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D.A,B,C.

## ANNEXURE – A.14 : Restated Statement of Short Term Loans and Advances

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
Advance to Suppliers & Others	203.81	51.48	53.39	16.77	6.62
<b>Grand Total</b>	<b>203.81</b>	<b>51.48</b>	<b>53.39</b>	<b>16.77</b>	<b>6.62</b>

Note A.14.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D.A,B,C.

## ANNEXURE – A.15 : Restated Statement of Other Current Assets

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
Balances With Revenue Authorities	39.11	-	-	19.51	12.06
Prepaid Expenses	-	0.03	0.77	0.93	0.42
IPO Expenses	7.50	-	-	-	-
<b>Grand Total</b>	<b>46.61</b>	<b>0.03</b>	<b>0.77</b>	<b>20.44</b>	<b>12.48</b>

Note A.15.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D.A,B,C.

## ANNEXURE – B.1: Restated Statement of Revenue from Operations

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
Sales Receipts	2717.87	1091.66	6588.35	7185.04	3,646.23
<b>Grand Total</b>	<b>2717.87</b>	<b>1091.66</b>	<b>6588.35</b>	<b>7185.04</b>	<b>3646.23</b>

Note B.1.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D.A,B,C.

## ANNEXURE – B.2 : Restated Statement of Other Income

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
Interest on Income Tax Refund	-	-	0.33	-	-
<b>Grand Total</b>	-	-	<b>0.33</b>	-	-

Note B.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.3 : Restated Statement of Cost of Material Consumed

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
Opening Stock	51.56	43.62	65.56	35.57	22.72
Add: Purchases	2,677.52	902.71	5,938.26	6,963.82	3,426.64
Less : Closing Stock	179.39	51.56	43.62	65.56	35.57
<b>Grand Total</b>	<b>2,549.68</b>	<b>894.77</b>	<b>5,960.20</b>	<b>6,933.83</b>	<b>3,413.78</b>

Note B.3.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.4 : Restated Statement of Changes in Inventories of Finished Goods, WIP &amp; Stock in Trade

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
Inventories at the Beginning of the Year	512.56	507.86	462.29	235.14	179.92
Inventories at the End of the Year	923.50	512.56	507.86	462.29	235.14
<b>Grand Total</b>	<b>(410.94)</b>	<b>(4.70)</b>	<b>(45.57)</b>	<b>(227.15)</b>	<b>(55.22)</b>

Note B.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.5 : Restated Statement of Employee Benefit Expense

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
Salaries & Wages	55.40	22.52	93.94	86.17	63.90
Bonus & Gifts to Staff	-	-	3.97	3.04	2.25
Staff Welfare	2.62	1.04	3.90	4.70	2.18
Director's Remuneration	9.00	-	-	-	-
Partner's Remuneration	-	3.00	17.00	22.00	-
<b>Grand Total</b>	<b>67.03</b>	<b>26.56</b>	<b>118.81</b>	<b>115.91</b>	<b>68.33</b>

Note B.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.6 : Restated Statement of Finance costs

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
Interest on loan	20.92	11.48	35.66	22.04	12.00
Bank Charges & Commission	6.16	0.14	2.10	5.91	-
<b>Grand Total</b>	<b>27.08</b>	<b>11.63</b>	<b>37.76</b>	<b>27.95</b>	<b>12.00</b>

Note B.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.7 : Restated Statement of Depreciation &amp; Amortization

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
Depreciation	8.88	4.22	14.53	7.76	9.24
<b>Grand Total</b>	<b>8.88</b>	<b>4.22</b>	<b>14.53</b>	<b>7.76</b>	<b>9.24</b>

Note B.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.8 : Restated Statement of Other Expenses

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
Commission & Brokerage	-	10.15	-	0.21	0.29
Conveyance Exp	0.43	0.23	0.76	0.28	2.92
Insurance	-	0.71	0.85	0.59	0.51
Electricity Charges	13.52	7.03	29.02	32.18	22.49
Factory Exp.	44.72	5.23	35.35	42.97	18.00
Fuel Exp.	24.02	15.10	70.46	77.68	54.11
Labour Charges	137.83	33.80	47.84	0.35	0.87
Loading & Unloading Charges	3.05	0.55	3.17	4.13	3.27
Rental Exp.	11.62	4.00	16.63	19.40	18.85
Postage & Courier	0.05	0.01	0.17	-	-
Printing & Stationary Expenses	1.10	0.12	0.46	0.74	0.49
Professional Fee & Tax	1.20	-	1.40	1.05	0.53
Repairs & Maintenance	17.58	1.32	12.83	10.81	13.96
ROC Exp	18.37	-	-	-	-
Software Charges Tally	0.03	0.03	0.23	0.11	0.05
Telephone & Internet Chgs	0.16	0.03	0.20	0.23	0.29
Travelling Exp	0.66	-	0.89	0.70	0.48
Transportation Charges	30.84	9.15	47.92	37.89	9.10
Sundry Charges	3.75	0.02	2.24	0.60	1.06
Water Charges	0.46	0.33	0.98	0.97	-
<b>Grand Total</b>	<b>309.38</b>	<b>87.81</b>	<b>271.41</b>	<b>230.87</b>	<b>147.27</b>

Note B.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.9 : Restated Statement of Deferred Tax (Assets)/Liabilities

(Rs. In Lakhs)

Particulars	As at December 31,		As at 31st March		
	2023	As at June 26, 2023	2023	2022	2021
WDV as per Companies Act, 2013 (A)	86.32	95.19	91.81	34.97	42.73
WDV as per Income tax Act, 1961 (B)	87.57	94.90	90.72	35.09	41.28
Difference in WDV (A-B)	(1.26)	0.29	1.09	(0.12)	1.45
Total Timing Difference	(1.26)	0.29	1.09	(0.12)	1.45
Deferred Tax (Asset)/ Liability (C)	(0.32)	0.07	0.28	(0.03)	0.37
Restated Closing Balance of Deferred Tax (Asset)/ Liability	(0.32)	0.07	0.28	(0.03)	0.37
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	0.07	0.28	(0.03)	0.37	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.39)	(0.20)	0.30	(0.39)	0.37

Note B.9.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – A.9 : Restated Statement of Property, Plant and Equipment

As At 31.12.2023

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 27th June 2023	Additions	Deletion/Sale	Balance as at 31st December 2023	Balance as at 27th June 2023	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31st December 2023	Balance as at 27th June 2023	Balance as at 31st December 2023
<b>A. Property Plant &amp; Equipment</b>										
Plant & Machinery	129.23	-	-	129.23	35.18	8.77	-	43.95	94.06	85.29
Office Equipments	1.88	-	-	1.88	0.77	0.10	-	0.87	1.11	1.01
Office Equipments	0.21	-	-	0.21	0.18	0.01	-	0.19	0.02	0.02
<b>Total (A)</b>	<b>131.32</b>	<b>-</b>	<b>-</b>	<b>131.32</b>	<b>36.13</b>	<b>8.88</b>	<b>-</b>	<b>45.00</b>	<b>95.19</b>	<b>86.32</b>

As At 26.06.2023

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2023	Additions	Deletion/Sale	Balance as at 26th June 2023	Balance as at 01st Apr 2023	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 26th June 2023	Balance as at 01st Apr 2023	Balance as at 26th June 2023
<b>A. Property Plant &amp; Equipment</b>										
A. Property Plant & Equipment	121.63	7.60	-	129.23	31.01	4.16	-	35.18	90.62	94.06
Plant & Machinery	1.88	-	-	1.88	0.72	0.05	-	0.77	1.16	1.11
Crane Hoist	0.21	-	-	0.21	0.18	0.00	-	0.18	0.03	0.02
<b>Total (A)</b>	<b>123.72</b>	<b>7.60</b>	<b>-</b>	<b>131.32</b>	<b>31.91</b>	<b>4.22</b>	<b>-</b>	<b>36.13</b>	<b>91.81</b>	<b>95.19</b>

As At 31.03.2023

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2022	Additions	Deletion/Sale	Balance as at 31st March 2023	Balance as at 01st Apr 2022	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31st March 2023	Balance as at 01st Apr 2022	Balance as at 31st March 2023
<b>A. Property Plant &amp; Equipment</b>										
Plant & Machinery	50.26	71.37	-	121.63	16.76	14.26	-	31.01	33.50	90.62
Crane Hoist	1.88	-	-	1.88	0.46	0.26	-	0.72	1.42	1.16
Office Equipments	0.21	-	-	0.21	0.15	0.02	-	0.18	0.05	0.03
<b>Total (A)</b>	<b>52.35</b>	<b>71.37</b>	<b>-</b>	<b>123.72</b>	<b>17.38</b>	<b>14.53</b>	<b>-</b>	<b>31.91</b>	<b>34.97</b>	<b>91.81</b>

As At 31.03.2022

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2021	Additions	Deletion/Sale	Balance as at 31 March 2022	Balance as at 01st Apr 2021	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2022	Balance as at 01st Apr 2021	Balance as at 31 March 2022
<b>A. Property Plant &amp; Equipment</b>										
Plant & Machinery	50.26	-	-	50.26	9.36	7.40	-	16.76	40.91	33.50
Crane Hoist	1.88	-	-	1.88	0.15	0.31	-	0.46	1.73	1.42
Office Equipments	0.21	-	-	0.21	0.11	0.04	-	0.15	0.09	0.05
<b>Total (A)</b>	<b>52.35</b>	<b>-</b>	<b>-</b>	<b>52.35</b>	<b>9.62</b>	<b>7.76</b>	<b>-</b>	<b>17.38</b>	<b>42.73</b>	<b>34.97</b>

As At 31.03.2021

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2020	Additions	Deletion/Sale	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Balance as at 31 March 2021
<b>A. Property Plant &amp; Equipment</b>										
Plant & Machinery	50.09	0.18	-	50.26	0.33	9.02	-	9.36	49.76	40.91
Crane Hoist	-	1.88	-	1.88	-	0.15	-	0.15	-	1.73
Office Equipments	0.13	0.08	-	0.21	0.05	0.07	-	0.11	0.08	0.09
<b>Total (A)</b>	<b>50.22</b>	<b>2.13</b>	<b>-</b>	<b>52.35</b>	<b>0.38</b>	<b>9.24</b>	<b>-</b>	<b>9.62</b>	<b>49.84</b>	<b>42.73</b>

**A.1.4 Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	30-Sep-23		26-Jun-23		31-Mar-23		31-Mar-22		31-Mar-21	
	Nos	% of Holding			Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Mohan Singh Parmar	10,940	49.73%	0.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%	50.00%
Sagar Bhanushali	11,000	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%	50.00%
<b>Total</b>	<b>21,940</b>	<b>99.73%</b>		<b>100.00%</b>	-	<b>100.00%</b>	-	<b>100.00%</b>	-	<b>100.00%</b>

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

**A.1.5 Shareholding of Promoters**

Name of Promoter	30-Sep-23		26-Jun-23		31-Mar-22		31-Mar-22		31-Mar-21	
	Nos	% of Holding			Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Mohan Singh Parmar	10,940	49.73%	0.00%	50.00%	0.00%	50.00%	-	50.00%	-	50.00%
Sagar Bhanushali	11,000	50.00%	0.00%	50.00%	0.00%	50.00%	-	50.00%	-	50.00%

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

**A.1.6 Change in Shareholding of Promoters**

Name of Promoter	30-Sep-23		26-Jun-23		31-Mar-22		31-Mar-22		31-Mar-21	
	Nos	% of Holding			Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Mohan Singh Parmar	10,940	49.73%	0.00%	50.00%	0.00%	50.00%	-	50.00%	-	50.00%
Sagar Bhanushali	11,000	50.00%	0.00%	50.00%	0.00%	50.00%	-	50.00%	-	50.00%

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

ANNEXURE – A.3.2 & A.5.2							
STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS (Amount in Laes)							
Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re- Payment Schedule	Moratorium	Outstanding amount as on (as per Books) 31.12.2023
Bank of India	Working Capital	500	by Hypothecation of stock & Book Debts and all other current assets, both present and future, and collateral by Extension Of EQM for the commercial unit at Unit No.G-9-G-10 & Unit No.120 of Infinity Square,Opp Vauram Industries, Survey No.95, Hissa No.1/2 Village Wairi, Taluka Vasai, Palghar-401208 owned by Mr. Mohansingh laxmisingh parmar and Mr.Hitesh Singh Parmar.Mohansingh Parmar.Hitesh Singh Parmar & Sagar Girish Bhanushali will serve as a Gurantor.	9.40%	Renewable after 1 year	NIL	373.39
Ugro Capital Ltd	Term Loan	45.00	By Way of Hypothecation of Machinery	12.00%	To be repaid in 24 months at EMI of Rs.2,16,896/-	NIL	15.61
<b>Total</b>		<b>545.00</b>					<b>389.00</b>

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

STATEMENT OF PRINCIPAL TERMS OF UNSECURED LOANS (Amount in Laes)							
Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re- Payment Schedule	Moratorium	Outstanding amount as on (as per Books) 31.12.2023
ADITYA BIRLA FINANCE LTD290	Business	50.00	NIL	16.00%	To be repaid in 36 months at EMI of Rs.1,75,786	NIL	35.24
LT FINANCE -SME DISBURSEMENT ACC	Business	35.00	NIL	16.50%	To be repaid in 36 months at EMI of Rs.1,23,804/-	NIL	26.91
AXIS BANK LTD	Business	30.00	NIL	16.50%	To be repaid in 36 months at EMI of Rs.1,06,213/-	NIL	7.92
BAJAJ FINANCE LTD	Business	27.88	NIL	17.00%	To be repaid in 36 months at EMI of Rs.80,453/-	NIL	15.12
BAJAJ FINANCE LTD new	Business	23.65	NIL	19.00%	To be repaid in 36 months at EMI of Rs.86,796/-	NIL	17.42
DIGIKREDIT URGO	Business	15.00	NIL	20.00%	To be repaid in 36 months at EMI of Rs.55,745/-	NIL	3.56
HDFC BANK LTD	Business	35.15	NIL	15.00%	To be repaid in 36 months at EMI of Rs.1,21,834/-	NIL	9.22
ICICI BANK	Business	34.17	NIL	15.00%	To be repaid in 36 months at EMI of Rs.1,23,860/-	NIL	9.76
SMC FINANCE MONEYWISE	Business	35.31	NIL	17.50%	To be repaid in 36 months at EMI of Rs.1,26,779/-	NIL	11.72
Sagar Bhanushali	Business	NIL	NIL	NIL	On Demand	NIL	457.97
Mohansingh Parmar	Business	NIL	NIL	NIL	On Demand	NIL	506.04
<b>Total</b>		<b>286.16</b>					<b>1100.87</b>

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

ANNEXURE – E : STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

1 Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

2. Material Adjustments :

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For the Period Ended Decmeber 31, 2023	For the Period Ended June 26,2023	For The Year Ended March 31,		
			2023	2022	2021
<b>(A) Net Profits as per audited financial statements (A)</b>	110.82	51.16	229.82	101.90	53.14
<b>Add/(Less) : Adjustments on account of -</b>					
1) Difference on Account of Calculation in Provision for Income Tax	(4.46)	0.26	(88.27)	(32.61)	(16.54)
2) Difference on Account of Calculation in Deferred Tax	0.71	0.20	(0.30)	0.39	(0.37)
3) Difference on account of Calculation in Depreciation	-	(0.80)	1.21	(1.57)	(1.95)
4) Adjustment on Account of Provision for Outstanding Expenses	-	(10.26)	(10.11)	(10.78)	(5.80)
5) Adjustment on Account of Prior Period Items	10.26	10.11	10.78	5.80	5.03
6) Adjustment on Account of Prepaid Expenses	7.47	(0.74)	(0.16)	0.51	0.42
<b>Total Adjustments (B)</b>	<b>13.98</b>	<b>(1.23)</b>	<b>(86.85)</b>	<b>(38.25)</b>	<b>(19.21)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>124.80</b>	<b>49.93</b>	<b>142.97</b>	<b>63.65</b>	<b>33.93</b>

3. Notes on Material Adjustments pertaining to prior years

(1) Change in Provision for Current Tax

Since the Restated profit has been changed so that the Provision for current tax is also got changed

(2) Difference on Account of Calculation in Deferred Tax

Deferred tax is calculated on the difference of WDV as per Companies Act & income tax Act in Restated financials but in Audited financials the same has been calculated between difference of Depreciation. Further Deferred Tax has been calculated on Timing difference arises due to Provision for Gratuity which was not considered in Audited Financial Statements

(3) Difference on Account of Depreciation

Since in Partnership Firm Depreciation is calculated as per rates specified in Income Tax Act & in Restated Financials the same is calculated on useful life method, so that the difference arises

(4) Difference on Account of Provision for Outstanding Expenses

Provision is created for Outstanding Expenses related to Current Financial Year which was not done in Audited Financials

(5) Difference on Account of Provision for Prior Period Expenses

Prior Period items debited to current period in Audited Financials was transferred in that particular period in Restated Financials

(6) Difference on Account of Provision for Prepaid Expenses

Expenses Related to Next Accounting Period was transferred to that Particular Period which was not considered in Audited Financials

Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

Particulars	For the Period Ended Decmeber 31, 2023	For the Period Ended June 26,2023	For The Year Ended March 31,		
			2023	2022	2021
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	113.31	938.10	930.95	701.49	678.66
Add/(Less) : Adjustments on account of Restatements of Financials	13.69	-8.36	-95.22	-42.43	-20.83
<b>Total Adjustments (B)</b>	<b>13.69</b>	<b>(8.36)</b>	<b>(95.22)</b>	<b>(42.43)</b>	<b>(20.83)</b>
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	127.00	929.74	835.73	659.06	657.82



**ANNEXURE - F : RESTATED STATEMENT OF TAX SHELTERS**

Sr. No	Particulars	As at December 31, 2023	As at June 26, 2023	As at 31st March		
				2023	2022	2021
<b>A</b>	<b>Restated Profit before tax</b>	166.76	71.38	231.54	95.87	50.83
	Short Term Capital Gain at special rate		-	-	-	-
	Normal Corporate Tax Rates (%)	25.17%	30.00%	34.94%	32.56%	31.33%
	Short Term Capital Gain at special rate	-	-	-	-	-
	MAT Tax Rates (%)	15.60%	15.60%	15.60%	15.60%	15.60%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>					
	Tax on normal profits	41.97	21.41	80.91	31.22	15.92
	Short Term Capital Gain at special rate	-	-	-	-	-
	<b>Total</b>	<b>41.97</b>	<b>21.41</b>	<b>80.91</b>	<b>31.22</b>	<b>15.92</b>
	<b>Adjustments:</b>					
<b>C</b>	<b>Permanent Differences</b>					
	Deduction allowed under Income Tax Act	-	-	-	-	-
	Exempt Income	-	-	-	-	-
	Allowance of Expenses under the Income Tax Act Section 35	-	-	-	-	-
	Disallowance of Income under the Income Tax Act	-	-	-	-	-
	Disallowance of Expenses under the Income Tax Act	-	-	-	-	-
	<b>Total Permanent Differences</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D</b>	<b>Timing Differences</b>					
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	1.55	0.80	(1.21)	1.57	1.95
	Carried Forward of Previous Year Business Loss	-	-	-	-	-
	<b>Total Timing Differences</b>	<b>1.55</b>	<b>0.80</b>	<b>(1.21)</b>	<b>1.57</b>	<b>1.95</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>1.55</b>	<b>0.80</b>	<b>(1.21)</b>	<b>1.57</b>	<b>1.95</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	<b>0.39</b>	<b>0.24</b>	<b>(0.42)</b>	<b>0.51</b>	<b>0.61</b>
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>168.31</b>	<b>72.19</b>	<b>230.33</b>	<b>97.44</b>	<b>52.78</b>
	Taxable Income/ (Loss) as per MAT	166.76	Not Applicable being Limited Liability Partnership			
<b>I</b>	<b>Income Tax as per normal provision</b>	42.36	21.66	80.49	31.73	16.54
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	26.02	Not Applicable being Limited Liability Partnership			
	<b>Net Tax Expenses (Higher of I,J)</b>	42.36	21.66	80.49	31.73	16.54
<b>K</b>	Relief u/s 90/91				-	-
	<b>Total Current Tax Expenses</b>	<b>42.36</b>	<b>21.66</b>	<b>80.49</b>	<b>31.73</b>	<b>16.54</b>
<b>L</b>	Adjustment for Interest on income tax/ others	-	-	7.78	0.89	-
	<b>Total Current Tax Expenses</b>	<b>42.36</b>	<b>21.66</b>	<b>88.27</b>	<b>32.61</b>	<b>16.54</b>

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

**ANNEXURE - G : RESTATED STATEMENT OF CAPITALISATION**

**(Rs. In Lakhs)**

<b>Sr. No</b>	<b>Particulars</b>	<b>Pre issue</b>	<b>Post issue</b>
	<b>Debts</b>		
A	Long Term Debt*	38.27	38.27
B	Short Term Debt*	1,374.68	1,374.68
C	<b>Total Debt</b>	<b>1,412.95</b>	<b>1,412.95</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital#	2.20	
	Reserves and Surplus	124.79	
D	<b>Total Equity</b>	<b>126.99</b>	
	Long Term Debt/ Equity Ratio (A/D)	0.30	
	Total Debt/ Equity Ratio (C/D)	11.13	
Notes :			

\* The amounts are consider as outstanding as on 31.12.2023

Post Issue figures are not available since issue price is not yet finalized

## ANNEXURE - H : RESTATED STATEMENT OF CONTINGENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at June 26, 2023	As at 31st March		
			2023	2022	2021
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-	-	-	-	-
2. Capital Commitment	-	-	-	-	-
3. Income Tax Demand	-	-	-	-	-
4. TDS Demands	-	-	-	-	-
5. ESIC Demand	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

## ANNEXURE - I : RESTATED STATEMENT OF ACCOUNTING RATIOS

Particulars	As at December 31, 2023	As at June 26, 2023	As at 31st March		
			2023	2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	124.79	49.93	142.97	63.65	33.93
<b>EBITDA</b>	202.72	87.22	283.84	131.58	72.07
<b>Actual No. of Equity Shares outstanding at the end of the period</b>	22,000	22,000	22,000	22,000	22,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	5,06,000	5,06,000	5,06,000	5,06,000	5,06,000
Net Worth	126.99	929.75	835.73	659.06	657.82
Current Assets	2095.18	1321.44	1336.37	1006.15	675.74
Current Liabilities	2042.91	409.09	488.01	282.45	62.39
<b>Earnings Per Share</b>					
Basic EPS (Pre Bonus)	567.24	226.95	649.85	289.34	154.22
Eps (Post Bonus)	24.66	9.87	28.25	12.58	6.71
<b>Net Asset Value Per Share</b>					
Pre Bonus	577.24	4226.12	3798.76	2995.71	2990.09
Post Bonus	25.10	183.74	165.16	130.25	130.00
<b>Current Ratio</b>	1.03	3.23	2.74	3.56	10.83
<b>EBITDA</b>	202.72	87.22	283.84	131.58	72.07
Nominal Value per Equity share(Rs.)	10	10	10	10	10

\* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

Notes :

1) The ratios have been calculated as below:

a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.

b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.

c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100

d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.

3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

**ANNEXURE - J(i) : RESTATED STATEMENT OF RELATED PARTY DISCLOSURES**

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

**i. List of Related Parties and Nature of Relationship :**

<b>Particulars</b>	<b>Name of Related Parties</b>
a) Key Management Personnel's	Sagar Bhanushali
	Mohan Singh Parmar
b) Relative of KMP	Krishna Rangani
<b>Note 1 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.	

ANNEXURE - J(ii) - Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As at December 31, 2023	As at June 26, 2023	As at March 31			
				2023	2022	2021	
<b>1. Directors/Partners Remuneration</b>	Sagar Bhanushali	4.50	1.50	8.50	11.00	-	
	Mohan Singh Parmar	4.50	1.50	8.50	11.00	-	
	<b>Total</b>	<b>9.00</b>	<b>3.00</b>	<b>17.00</b>	<b>22.00</b>	<b>-</b>	
<b>2. Interest to Partners</b>	Sagar Bhanushali	-	-	-	-	12.00	
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.00</b>	
<b>3. Salary</b>	Krishna Rangani	-	0.31	3.48	2.95	2.74	
<b>4. Unsecured Loan</b>	<b>Mohansingh L Parmar</b>						
	Opening Balance	-	-	-	-	-	
	Add: Loan Received During the Year	600.10					
	Less: Loan Repaid During the year	94.06					
	Closing Balance	<b>506.04</b>			-	-	-
	<b>Sagar Bhanushali</b>						
	Opening Balance	-	-	-	-	-	-
Add: Loan Received During the Year	465.57						
Less: Loan Repaid During the year	7.60						
Closing Balance	<b>457.97</b>			-	-	-	

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

**ANNEXURE - J(iii) - Outstanding Balance as at the end of the year**

						(Rs. In Lakhs)
	Particulars	31.12.2023	26.06.2023	31.03.2023	31.03.2022	31.03.2021
1. Payable	Sagar Bhanushali	457.97	455.22	433.64	307.55	140.00
	Mohansingh L Parmar	506.04	482.88	497.30	393.95	271.39
<b>Total</b>		<b>964.01</b>		<b>930.95</b>	<b>701.49</b>	<b>411.39</b>

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

## OTHER FINANCIAL INFORMATION

*(₹ in Lakhs except no of shares & percentage data)*

Particulars	For the period ended 31.12.2023	For the period ended 26.06.2023	For The Year Ended 31st March		
			2023	2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	124.79	49.93	142.97	63.65	33.93
Restated Earnings Before Interest, Tax, Depreciation & Amortization - (EBITDA)	202.72	87.22	283.84	131.58	72.07
Actual No. of Equity Shares outstanding at the end of the period	22,000	22,000	22,000	22,000	22,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	506,000	506,000	506,000	506,000	506,000
Net Worth	126.99	929.75	835.73	659.06	657.82
<b>Earnings per Share</b>					
Basic EPS (Pre-Bonus)	567.24	226.95	649.85	289.34	154.22
Eps (Post Bonus)	24.66	9.87	28.25	12.58	6.71
<b>Net Asset Value Per Share</b>					
Pre-Bonus	577.24	4226.12	3798.76	2995.71	2990.09
Post Bonus	25.10	183.74	165.16	130.25	130.00

\* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.

### Notes:

- 1) The ratios have been calculated as below:
  - a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
  - b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
  - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
  - d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.
- 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

## CAPITALISATION STATEMENT

### ANNEXURE - XXIX: RESTATED STATEMENT OF CAPITALISATION AS AT DECEMBER 31, 2023

(₹ in Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	38.27	38.27
B	Short Term Debt*	1,374.68	1,374.68
C	<b>Total Debt</b>	<b>1,412.95</b>	<b>1,412.95</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	2.20	[•]
	Reserves and Surplus	124.79	
D	<b>Total Equity</b>	<b>126.99</b>	
	Long Term Debt/ Equity Ratio (A/D)	0.30	
	Total Debt/ Equity Ratio (C/D)	11.13	
Notes:			
* The amounts are considered as outstanding as on 31.12.2023			



## FINANCIAL INDEBTEDNESS

Our Company has availed borrowings in the ordinary course of our business. Set forth below is a brief summary of our aggregate outstanding borrowings as on December 31, 2023:

(₹ In Lakhs)

Nature of Borrowing	Amount
Secured Borrowings	389.00
Unsecured Borrowings	1100.87
<b>Total</b>	<b>1489.87</b>

### Details of Secured Borrowings:

(₹ In Lakhs)

Name of Lender	Sanction Date	Nature of the Facility	Amount Sanctioned	Amount outstanding as on December 31, 2023	Security/Principal Terms & Condition
Bank of India-CC	08/12/2023	OD Facility	500.00	373.39	9.40% Commercial property and book debts, Stock and all current assets (present & future)
Ugro Capital Ltd	23/05/2022	Secured machinery Loan	45.00	15.61	12% Hypothecation of Machinery

### Details of Unsecured Borrowings:

Name of Lender	Sanction Date	Nature of the Facility	Amount Sanctioned	Amount outstanding as on March 31, 2023	Repayment Terms
Aditya Birla Finance Ltd	31/12/2022	Business Loan	50.00	35.24	16% p.a. (fixed) as per sanction letter
L T Finance	05/01/2023	Business	35.00	26.91	16.5% p.a (fixed) as per sanction letter
Axis Bank Ltd	10/08/2021	Loan	30.00	7.92	16.50% p.a.(fixed) as per sanction letter
Bajaj Finance Ltd	12/08/2021	Business	27.88	15.12	17% p.a.(reducing) as per sanction letter
Bajaj Finance Ltd	10/01/2023	Loan	23.65	17.42	19% p.a.(reducing) as per sanction letter
DIGIKREDIT Finance Private Limited	30/07/2021	Business	15.00	3.56	20% p.a.(reducing) as per sanction letter
HDFC Bank Ltd	05/08/2021	Loan	35.15	9.22	15% p.a. (reducing)
ICICI Bank Limited	20/08/2021	Business	34.17	9.76	15% p.a. (reducing)
Moneywise Financial Services Pvt Ltd (SMC Finance)	24/08/2021	Loan	35.31	11.72	17.50% p.a.(reducing) as per Sanction letter

(₹ In Lakhs)

Name of Lenders (Directors)	Amount Outstanding as on December 31, 2023
Sagar Bhanusali	457.97
Mohansingh Parmar	506.04

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations for the period ended December 31, 2023, June 26 2023 and for the financial years ended on 2023, 2022 and 2021 is based on, and should be read in conjunction with, our Restated Financial Statements, including the schedules, notes and significant accounting policies thereto, included in the chapter titled "Restated Financial Statements" beginning on page 163 of this Draft Prospectus. Our Restated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.*

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Draft Prospectus. You should also read the section titled "Risk Factors" beginning on page 23 of this Draft Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to GSM Foils Limited (formerly known as GSM Foils LLP), our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Financial Statements" for the period ended December 31, 2023 and financial years ended on 2023, 2022 and 2021 included in this Draft Prospectus beginning on page 163 of this Draft Prospectus.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### **BUSINESS OVERVIEW**

Our Company was originally formed as a Limited Liability partnership ("LLP") under the name and style of "GSM Foils LLP" pursuant to a Certificate of incorporation issued by Registrar of Companies, Central Registration Centre, dated April 05, 2019 with LLP registration number being AAO-7932. GSM Foils LLP was thereafter converted into a Private Limited Company "GSM Foils Private Limited" pursuant to the provisions of Chapter XXI of the Companies Act, 2013 and fresh a certificate of incorporation dated June 27, 2023 was issued by Registrar of Companies, Central Registration Centre. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to "GSM Foils Limited" pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on July 14, 2023 and a fresh Certificate of incorporation dated September 04 2023 issued by the Registrar of Companies, Mumbai.

Our Company, GSM Foils Limited is engaged in the business of manufacturing Blister Foils and Aluminium Pharma Foils (also known as "Strip Foils") which is used in packing of pharmaceutical medicines which includes capsules and tablets both. This is a primary packaging material which comes in direct contact with the medicine, hence, utmost care is taken with regards to its quality. Over the past few years, we have acquired definite know how in different types of foils used in pharmaceuticals companies. We offer Aluminium foils in different sizes, shapes and thickness to meet diverse needs of our clients. The range of our products includes plain and printed aluminium foils and strip foils along with alu alu base foils and it ranges from 0.020/ 0.025/ 0.030/ 0.040 micron for coated /ploy laminated/ blister/ strip printed foils.

Aluminium Foil or Strip Foils are one of the packaging options for highly sensitive pharmaceutical products that protects the medicines from oxygen, moisture, and other environmental influences. These foils are used in packaging of capsules which requires more bursting strength as they are bigger in size and is used to create a push-through closure with lid film where tablets and capsules are protected perfectly and hygienically.

Blister Foils are commonly used as unit-dose packaging for pharmaceutical tablets. Blister foils are used in packaging of tablets Blister foils are suitable for hard packing of medical and pharmaceutical products. It is heat seal coated on the bright side and print-treat coated on the matte side the primary component of a blister packs are made from "Formable" web, either plastic or aluminium, the formed cavity or pocket contains the product and the "lidding" seals the product in the package.

We are offering products which are quality tested as per industrial standards. As an ISO 9001:2015 certified company our aim is to provide products at a competitive price, therefore, we have invested in modernized manufacturing techniques and have presented a wide assortment of highly demanded products.

Our manufacturing unit and highly advanced quality testing division is the key to our proficiency to carve a niche in the industry. Furthermore, owing to the allied support of industry recognized vendors we are able to source the best suited inventory of raw material and produce quality products that augment our brand image. With in-house capacity of Coating, laminating and printing process, we provide our client quick and cost-effective services, which help them reduce their down time and execute their packaging line in a systematic manner.

We work with the ethos of integrity and strive to become one of the most trusted entities that deliver promised quality with the offered products in addition to the exclusive benefits of abrasion resistance, high tensile strength, durability, bond strength, and sealing strength.

We have developed a state-of-the-art manufacturing facility at Gala No 06/106/206/306, Sapphire Building, Diamond Industrial Estate, Vasai East Ie, Thane, Vasai, Maharashtra, India, 401208 in 7,973 Sq. feet area with ground plus 3 floors for smooth execution of all the business operations. Our manufacturing facilities are well-equipped with the necessary tools, machineries, other equipment's and amenities, to support a seamless manufacturing process, hassle-free production, Quality testing, research, storage and packaging. All our machineries are periodically upgraded and lubricated with experienced personnel so as to retain production rate.

Further, all the manufactured products are kept by us in a safe and systematic manner at a sound warehousing unit in manufacturing unit itself. Linked with major shipment network, our warehousing team supports the logistics team in providing prompt delivery of orders at their premises. A team of interactive personnel keeps in touch with the clients to know their exact requirements and serves them accordingly.

Mr. Sagar Girish Bhanushali is Chairman and Whole Time Director and also the Promoter of our Company and Mr. Mohansingh L Parmar is Managing Director and also the Promoter of our Company. They have 4 years of expertise in the production and manufacturing related activities in our own company. They actively advise us on finance, corporate strategy, and planning, and they have played a significant role in the expansion of our company. Furthermore, a group of knowledgeable staff members support our board of directors in the execution of the orders. We are confident that we will be able to capitalise on both present and future market opportunities.

For the period ended December 31, 2023, our Company's Total Income and Restated Profit after tax were Rs.2717.87 Lakhs and Rs. 124.79 Lakhs. For the period ended June 26, 2023, our Company's Total Income and Restated Profit after tax were Rs.1091.66 Lakhs and Rs. 49.93 Lakhs. For the year ended March 31, 2023, our Company's Total Income and Restated Profit after tax were Rs.6588.69 Lakhs and Rs.142.97 Lakhs, compared to our Company's Total Income and Restated Profit after tax were Rs.7185.04 Lakhs and Rs.63.65 Lakhs respectively, over previous year ended i.e. March 31, 2022. For the year ended March 31, 2021, our Company's Total Income and Restated Profit after tax were Rs. 3646.23 Lakhs and Rs. 33.93 Lakhs respectively.

#### Key Performance Indicators of our Company.

(Rs. in Lakhs except percentages)

Key Financial Performance	December 30, 2023	June 26, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	2717.87	1091.66	6588.35	7185.04	3646.23
EBITDA <sup>(2)</sup>	202.72	87.22	283.84	131.58	72.07
EBITDA Margin (%) <sup>(3)</sup>	7.46%	7.99%	4.31%	1.83%	1.98%
PAT	124.79	49.93	142.97	63.65	33.93
PAT Margin (%) <sup>(4)</sup>	4.59%	4.57%	2.17%	0.89%	0.93%
Return on equity (%) <sup>(5)</sup>	23.62	5.66	19.13	9.67	5.30
Return on capital employed (%) <sup>(6)</sup>	1.60	0.09	0.34	0.20	0.11
Debt-Equity Ratio (times) <sup>(7)</sup>	11.13	0.23	0.29	0.33	-
Current Ratio (times) <sup>(8)</sup>	1.03	3.23	2.74	3.56	10.83
Net profit ratio <sup>(9)</sup>	4.59	4.57	2.17	0.89	0.93

As certified by M/s A Y & Company, Chartered Accountants, through their certificate dated March 22, 2024.

#### Notes:

- 19) Revenue from operation means revenue from sale of our products
- 20) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs
- 21) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- 22) PAT Margin is calculated as PAT for the period/year divided by revenue from operations
- 23) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity

- 24) Return on Capital Employed is calculated as follows: Profit before tax + Finance Costs – Other Income (EBIT) divided by (Tangible Net Worth + Total Debt + Deferred Tax Liabilities)
- 25) Debt to Equity ratio is calculated as Total Debt divided by equity
- 26) Current Ratio is calculated by dividing Current Assets to Current Liabilities
- 27) Net profit ratio is calculated by dividing Net Profit to Revenue from Operations

#### Explanation for KPI metrics

Key Financial Performance	Explanations
Financial KPIs	
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Return on equity (%)	Return on equity (ROE) is a measure of financial performance
Return on capital employed (%)	Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital
Debt-Equity Ratio (times)	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Current Ratio (times)	The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year
Net profit ratio (%)	Net Profit Margin (also known as "Profit Margin" or "Net Profit Margin Ratio") is a financial ratio used to calculate the percentage of profit our company produces from its total revenue

#### Operational KPI's of the Company:

(₹ in lakhs)

Key Financial Performance	December 31, 2023	June 26, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue split between domestic and exports					
Domestic Market (in Lakhs)	2717.87	1091.66	6588.35	7185.04	3646.23
Export Market (in Lakhs)	-	-	-	-	-
Domestic Market (%)	100%	-	100%	100%	100%
Export Market (%)	-	-	-	-	-

#### SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2023

In the opinion of the Board of Directors of our Company, since the date of the stub period as disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

- The Board of our Company has approved to raise funds through Initial Public Offering in the board meeting held on March 06, 2024.
- The members of our Company approved proposal of Board of Directors to raise funds through initial public offering in the EOGM held on March 07, 2024.
- During the Financial Year 2023-24, The Company has allotted 3,85,463 equity shares via conversion of loan into Equity Shares having face value of Rs. 10 each at an issue price of Rs. 250, by way of passing Board Resolution for allotment of shares dated February 20, 2024.
- The Company has allotted 89,64,186 equity shares via bonus issue in the Ratio of 22:1 having face value of Rs. 10 each, out of Reserves & Surplus, by way of passing Board Resolution for allotment of shares dated March 01, 2024.

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” on page 23 beginning of this Draft Prospectus.

Our Company’s future results of operations could be affected potentially by the following factors:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Fluctuations in Stock prices of Aluminum;
- Our ability to attract and retain personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks;
- Changes in consumer demand;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

## SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to the chapter titled “*Restated Financial Statements*” beginning on page 163 of this Draft Prospectus.

## COMPONENTS OF INCOME AND EXPENDITURE

**Revenue from operations:** Revenue from operations mainly consists from Sales of products.

**Other Income:** Other Income Consist of Interest Income, Discount Received & Other Misc. Incomes etc.

**Expenses:** Company’s expenses consist of, Cost of Material Consumed, Changes in Inventories of Finished Goods WIP & Stock in Trade, Depreciation Expenses, Employee Benefit Expenses, Finance Cost & Other Expenses.

**Cost of Material Consumed:** Cost of Material Consumed consist of Opening Stock, Purchase of Raw Material & Closing Stock.

**Change in inventory of Stock in Trade:** Change in inventory of Stock in Trade consist of difference between opening & closing Value of Stock.

**Employee Benefits Expense:** Employee benefit expenses includes Salaries and Wages, Directors Remuneration & Staff Welfare expenses etc.

**Finance Cost:** Finance Cost includes Interest paid on borrowings, Bank Charges & Commission.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a WDV Basis as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

**Other Expenses:** Other expenses include Rent, Repair & Maintenance, Factory Expenses, Fuel Expenses, Travelling & Transportation expenses etc.

## RESULTS OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements of our Company for the period ended December 31, 2023 and June 26, 2023 and for the financial years ended on 2023, 2022 and 2021:

(₹ in Lakhs)

Particulars	For the Period ended				For The Year Ended 31st March					
	December 30, 2023	% of Total Revenue	June 26, 2023	% of Total Revenue	2023	% of Total Revenue	2022	% of Total Revenue	2021	% of Total Revenue
<b>Revenue:</b>										
Revenue from Operations	2717.87	100.00%	1091.66	100.00%	6588.35	99.99%	7185.04	100.00%	3646.23	100.00%
Other income	-	-	-	-	0.33	0.01%	-	-	-	-
<b>Total revenue</b>	<b>2717.87</b>	<b>100.00%</b>	<b>1091.66</b>	<b>100.00%</b>	<b>6588.69</b>	<b>100.00%</b>	<b>7185.04</b>	<b>100.00%</b>	<b>3646.23</b>	<b>100.00%</b>
<b>Expenses:</b>										
Cost of Material Consumed	2549.68	93.81%	894.77	81.96%	5960.20	90.46%	6933.83	96.50%	3413.78	93.62%
Change in inventory of WIP, Finished Goods & Stock in Trade	(410.94)	(15.12%)	(4.70)	(0.43%)	(45.57)	(0.69%)	(227.15)	(3.16%)	(55.22)	(1.51%)
Employee Benefits Expenses	67.03	2.47%	26.56	2.43%	118.81	1.80%	115.91	1.61%	68.33	1.87%
Finance costs	27.08	1.00%	11.63	1.07%	37.76	0.57%	27.95	0.39%	12.00	0.33%
Depreciation and Amortization	8.88	0.33%	4.22	0.39%	14.53	0.22%	7.76	0.11%	9.24	0.25%
Other expenses	309.38	11.38%	87.81	8.04%	271.41	4.12%	230.87	3.21%	147.27	4.04%
<b>Total Expenses</b>	<b>2551.11</b>	<b>93.86%</b>	<b>1020.28</b>	<b>93.46%</b>	<b>6357.14</b>	<b>96.49%</b>	<b>7089.17</b>	<b>98.67%</b>	<b>3595.40</b>	<b>98.61%</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>166.76</b>	<b>6.14%</b>	<b>71.38</b>	<b>6.54%</b>	<b>231.54</b>	<b>3.51%</b>	<b>95.87</b>	<b>1.33%</b>	<b>50.83</b>	<b>1.39%</b>
Exceptional Items										
<b>Profit before extraordinary items and tax</b>	<b>166.76</b>	<b>6.14%</b>	<b>71.38</b>	<b>6.54%</b>	<b>231.54</b>	<b>3.51%</b>	<b>95.87</b>	<b>1.33%</b>	<b>50.83</b>	<b>1.39%</b>
Extraordinary items										
<b>Profit before tax</b>	<b>166.76</b>	<b>6.14%</b>	<b>71.38</b>	<b>6.54%</b>	<b>231.54</b>	<b>3.51%</b>	<b>95.87</b>	<b>1.33%</b>	<b>50.83</b>	<b>1.39%</b>
<b>Tax expense:</b>										
Current tax	42.36	1.56%	21.66	1.98%	88.27	1.34%	32.61	0.45%	16.54	0.45%
Deferred Tax	(0.39)	(0.01%)	(0.20)	(0.02%)	0.30	0.00%	(0.39)	(0.01%)	0.37	0.01%
<b>Net Total Tax Expenses</b>	<b>41.97</b>	<b>1.54%</b>	<b>21.45</b>	<b>1.97%</b>	<b>88.57</b>	<b>1.34%</b>	<b>32.22</b>	<b>0.45%</b>	<b>16.90</b>	<b>0.46%</b>
<b>Profit /(Loss) for the period from continuing operations</b>	<b>124.79</b>	<b>4.59%</b>	<b>49.93</b>	<b>4.57%</b>	<b>142.97</b>	<b>2.17%</b>	<b>63.65</b>	<b>0.89%</b>	<b>33.93</b>	<b>0.93%</b>

## REVIEW OF OPERATIONS FOR THE PERIOD ENDED ON DECEMBER 31, 2023

### *Revenue from Operation*

Revenue from operations for the period ended on December 31, 2023 amounting to ₹ 2717.87 lakhs represents 100.00% of Total Revenue.

### *Cost of Material Consumed*

*Cost of Material Consumed* for the period ended on December 31, 2023 amounting to ₹ 2549.68 lakhs represents 93.81% of Total Revenue.

### *Change in inventory of Stock in Trade*

Change in inventory of Stock in Trade amounting to ₹ (410.94) Lakhs represents (15.12) % of Total Revenue.

### *Employee Benefit Cost*

Employee benefit expenses includes Salaries and Wages, Directors Remuneration and Staff welfare expenses amounting to ₹ 67.03 Lakhs represents 2.47% of Total Revenue.

### *Finance Cost*

Finance Cost includes Bank Charges & Commission and Interest on loans amounting to ₹ 27.08 Lakhs represents 1.00% of Total Revenue.

### *Depreciation and Amortization*

Depreciation is charged on WDV method amounting to ₹ 8.88 Lakhs represents 0.33% of Total Revenue

### *Other Expenses*

Other expenses include Rent, Repair & Maintenance, Factory Expenses, Fuel Expenses, Travelling & Transportation expenses etc. amounting to ₹ 309.38 Lakhs represents 11.38% of Total Revenue.

### *Profit Before Tax*

The Profit before tax for the period ended on December 31, 2023 was ₹ 166.76 Lakhs representing 6.14% of Total Revenue.

### *Tax Expenses*

Tax Expenses consisting of Current Tax & Deferred Tax for the period ended on December 31, 2023 was ₹ 42.36 Lakhs and ₹ (0.39) Lakhs respectively, representing 1.56% and (0.01) % respectively of Total Revenue.

### *Profit After Tax*

The Profit after tax for the period ended on December 31, 2023 was ₹ 124.79 Lakhs representing 4.59% of Total Revenue.

## REVIEW OF OPERATIONS FOR THE PERIOD ENDED ON JUNE 26, 2023

### *Revenue from Operation*

Revenue from operations for the period ended on June 26, 2023 amounting to ₹ 1091.66 lakhs represents 100.00% of Total Revenue.

### *Cost of Material Consumed*

*Cost of Material Consumed* for the period ended on June 26, 2023 amounting to ₹ 894.77 lakhs represents 81.96% of Total Revenue.

### *Change in inventory of Stock in Trade*

Change in inventory of Stock in Trade for the period ended on June 26, 2023 amounting to ₹ (4.70) Lakhs represents (0.43) % of Total Revenue.

#### ***Employee Benefit Cost***

Employee benefit expenses includes Salaries and Wages and Staff welfare expenses amounting to ₹ 26.56 Lakhs represents 2.43% of Total Revenue.

#### ***Finance Cost***

Finance Cost includes Bank Charges & Commission and Interest on loans amounting to ₹ 11.63 Lakhs represents 1.07% of Total Revenue.

#### ***Depreciation and Amortization***

Depreciation is charged on WDV method amounting to ₹ 4.22 Lakhs represents 0.39% of Total Revenue

#### ***Other Expenses***

Other expenses include Rent, Repair & Maintenance, Factory Expenses, Fuel Expenses, Travelling & Transportation expenses etc. amounting to ₹ 87.81 Lakhs represents 8.04% of Total Revenue.

#### ***Profit Before Tax***

The Profit before tax for the period ended on June 26, 2023 was ₹ 71.38 Lakhs representing 6.54% of Total Revenue.

#### ***Tax Expenses***

Tax Expenses consisting of Current Tax & Deferred Tax for the period ended on June 26, 2023 was ₹ 21.66 Lakhs and ₹ (0.20) Lakhs respectively, representing 1.98% and (0.02) % respectively of Total Revenue.

#### ***Profit After Tax***

The Profit after tax for the period ended on June 26, 2023 was ₹ 49.93 Lakhs representing 4.57% of Total Revenue.

### **COMPARISON OF FINANCIAL YEAR ENDED 2023 TO FINANCIAL YEAR ENDED 2022**

#### ***Revenue from Operation***

Revenue from operations had decreased by 8.30% from ₹ 7185.04 lakhs in Fiscal 2022 to ₹ 6588.35 lakhs in Fiscal 2023. This decrease was primarily due to the fall in the aluminium prices during the FY 2023 as compared to the fiscal year 2022. Aluminium constitutes the major cost of the product and same in the sales of the product.

#### ***Other Income***

Other income had increased 100% to ₹ 0.33 lakhs in Fiscal 2023 due to receipt of interest on Income tax refund.

#### ***Cost of Material Consumed***

Cost of Material Consumed had decreased by 14.04% from ₹ 6933.83 lakhs in Fiscal 2022 to ₹ 5960.20 lakhs in Fiscal 2023. This decrease was due to fall in the cost of raw materials i.e. aluminium consumed during the year.

#### ***Change in inventory of Stock in trade***

Change in inventory of Stock in trade had increased by ₹ 45.57 Lakhs. Since delivery was due after March 31, 2023, our closing Inventories of Finished goods got increased & due to this our changes in Inventories of Finished goods got increased.

#### ***Employee Benefit Expenses***



Employee benefit expenses had increased by 2.50% from ₹ 115.91 lakhs in Fiscal 2022 to ₹ 118.81 lakhs in Fiscal 2023. This increase was primarily due to increase in salary & wages from ₹ 86.17 Lakhs in year 2022 to ₹ 93.94 Lakhs in year 2023.

#### ***Finance Cost***

Finance Cost had increased by 35.10% from ₹ 27.95 lakhs in Fiscal 2022 to ₹ 37.76 lakhs in Fiscal 2023. This increase was primarily due to increase in Interest on borrowings during the year.

#### ***Depreciation and Amortization Expenses***

Depreciation had increased by 87.32% from ₹ 7.76 lakhs in Fiscal 2022 to ₹ 14.53 lakhs in Fiscal 2023. Since in the year 2023 company has made capex of ₹ 71.37 Lakhs, due to which Depreciation has been increased significantly.

#### ***Other Expenses***

Other expenses had increased by 17.56% from ₹ 230.87 lakhs in Fiscal 2022 to ₹ 271.41 lakhs in Fiscal 2023. The increase was primarily due to increase in Labour Charges from ₹ 0.35 lakhs in Fiscal 2022 to ₹ 47.84 lakhs in Fiscal 2023, Repair & maintenance had increased from ₹ 10.81 lakhs in Fiscal 2022 to ₹ 12.83 lakhs in Fiscal 2023, Transportation Expenses had increased from ₹ 37.89 lakhs in Fiscal 2022 to ₹ 47.92 lakhs in Fiscal 2023.

#### ***Tax Expenses***

The Company's tax expenses had increased by 174.93% from ₹ 32.22 lakhs in Fiscal 2022 to ₹ 88.57 lakhs in Fiscal 2023.

#### ***Profit after Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 142.97 lakhs in Fiscal 2023 as compared to a net profit of ₹ 63.65 lakhs in Fiscal 2022..

### **COMPARISON OF FINANCIAL YEAR ENDED 2022 TO FINANCIAL YEAR ENDED 2021**

#### ***Revenue from Operation***

Revenue from operations had increased by 97.05% from ₹ 3646.23 lakhs in Fiscal 2021 to ₹ 7185.04 lakhs in Fiscal 2022. This increase was due to increase in sales of products during the year. Since in the year 2022 company has increased its marketing operations due to which the order book of the company has increased & in result the revenue of the company has also increased in year 2022 as compared to the fiscal year 2021.

#### ***Cost of Material Consumed***

Cost of Material Consumed had increased by 103.11% from ₹ 3413.78 Lakhs in the Fiscal 2021 to ₹ 6933.83 Lakhs in Fiscal 2022. This was due to increase in level of operation by company during the year 2022.

#### ***Changes in Inventories of Stock in trade***

Changes in Inventories of Stock in Trade had increased by ₹ 227.15 lakhs in Fiscal 2022. This increase was primarily due to higher closing inventories during the year. Since delivery was due after March 31, 2022, our closing Inventories of Finished goods got increased & due to this our changes in Inventories of Stock in Trade got increased.

#### ***Employee Benefit Expenses***

Employee benefit expenses had increased by 69.63% from ₹ 68.33 lakhs in Fiscal 2021 to ₹ 115.91 lakhs in Fiscal 2022. This increase was primarily due to increase in salary & wages from ₹ 63.90 Lakhs in year 2021 to ₹ 86.17 Lakhs in year 2022 and partners remuneration has increased to ₹ 22.00 lakhs in Fiscal 2022.

#### ***Finance Cost***

Finance Cost had increased by 132.94% from ₹ 12.00 lakhs in Fiscal 2021 to ₹ 27.95 lakhs in Fiscal 2022. This increase was primarily due to increase in interest on loans from ₹ 12.00 lakhs in Fiscal 2021 to ₹ 22.04 Lakhs in Fiscal 2022 and bank charges had increased to ₹ 5.91 lakhs.

### ***Depreciation and Amortization Expenses***

Depreciation had decreased by 16.00% from ₹ 9.24 lakhs in Fiscal 2021 to ₹ 7.76 lakhs in Fiscal 2022.

### ***Other Expenses***

Other expenses had increased by 56.77% from ₹ 147.27 lakhs in Fiscal 2021 to ₹ 230.87 lakhs in Fiscal 2022. The increase was primarily due to increase in Electricity Charges, Factory expenses, Fuel Expenses and transportation charges etc. Electricity charges had increased from ₹ 22.49 Lakhs in Fiscal 2021 to ₹ 32.18 lakhs, Factory expenses from ₹ 18.00 lakhs in Fiscal 2021 to ₹ 42.97 lakhs, Fuel expenses from ₹ 54.11 Lakhs in Fiscal 2021 to ₹ 77.68 Lakhs in Fiscal 2022, Transportation expenses from ₹ 9.10 Lakhs in Fiscal 2021 to ₹ 37.89 Lakhs in Fiscal 2022,

### ***Tax Expenses***

The Company's tax expenses had increased by ₹ 15.32 lakhs from ₹ 16.90 lakhs in the Fiscal 2021 to ₹ 32.22 lakhs in Fiscal 2022. This was primarily due to increase in Current Tax Expenses from ₹ 16.54 Lakhs in Fiscal 2021 to ₹ 32.61 Lakhs in Fiscal 2022. The Current Tax Expenses has been increased due to higher profit during the year.

### ***Profit after Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 63.65 lakhs in Fiscal 2022 as compared to a net profit of ₹ 33.93 lakhs in Fiscal 2021. The company has made higher profit after tax in the fiscal 2022 due to higher revenue from operations during the year.

## **CASH FLOWS**

The table below is our cash flows for the financial years ended on 2023, 2022, 2021, and 2020:

(₹ in Lakhs)  
(₹ in lakhs)

<b>Particulars</b>	<b>December 31, 2023</b>	<b>June 26, 2023</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Net Cash from Operating Activities	(231.37)	(13.30)	60.36	(157.72)	(98.19)
Net Cash from Investing Activities	(16.36)	(7.51)	(71.54)	(7.39)	3.46
Net Cash from Financing Activities	260.23	0.48	19.17	128.83	104.04

### ***Cash Flows from Operating Activities***

Net cash from operating activities for period ended December 31, 2023 was ₹ (231.37) lakhs as compared to the Profit Before Tax at ₹ 166.76 lakhs. This was primarily due to adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for period ended June 26, 2023 was ₹ (13.30) lakhs as compared to the Profit Before Tax at ₹ 71.38 lakhs. This was primarily due to adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for fiscal 2023 was ₹ 60.36 lakhs as compared to the Profit Before Tax at ₹ 231.54 lakhs while for fiscal 2022 net cash from operating activities was at ₹ (157.72) lakhs as compared to the Profit Before Tax at ₹ 95.87 Lakhs. This was primarily due to adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for fiscal 2022 was ₹ (157.72) lakhs as compared to the Profit Before Tax at ₹ 95.87 lakhs while for fiscal 2021 net cash from operating activities was at ₹ (98.19) lakhs as compared to the Profit Before Tax at ₹ 50.83 Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital & Income Tax Paid.

### ***Cash Flows from Investing Activities***

For the period ended December 31, 2023, the net cash invested in Investing Activities was ₹ (16.36) lakhs. This was mainly on account of Purchases of Fixed Assets.

For the period ended June 26, 2023, the net cash invested in Investing Activities was ₹ (7.51) lakhs. This was mainly on account of Purchases of Fixed Assets.

In fiscal 2023, the net cash invested in Investing Activities was ₹ (71.54) lakhs. This was mainly on account of Purchases of Fixed Assets.

In fiscal 2022, the net cash invested in Investing Activities was ₹ (7.39) lakhs. This was mainly on account of Other non-current assets.

In fiscal 2021, the net cash invested in Investing Activities was ₹ 3.46 lakhs. This was mainly on account of Purchases of Fixed Assets of ₹ 2.13 lakhs and other non-current assets of ₹ 5.59 lakhs.

### ***Cash Flows from Financing Activities***

For the period ended December 31, 2023, the net cash from financing activities was ₹ 260.23 lakhs. This was on account of proceeds from Long Term & Short-Term Borrowings, interest paid on borrowings, proceeds from issue of share capital and decrease in partner's capital.

For the period ended June 26, 2023, the net cash from financing activities was ₹ 0.48 lakhs. This was on account of proceeds from Long Term & Short-Term Borrowings, interest paid on borrowings and increase in partner's capital.

In fiscal 2023, the net cash from financing activities was ₹ 19.17 lakhs. This was on account of proceeds from Long Term & Short-Term Borrowings, interest paid on borrowings and increase in partner's capital.

In fiscal 2022, the net cash from financing activities was ₹ 128.83 lakhs. This was on account of proceeds from Long Term & Short-Term Borrowings, interest paid on borrowings and increase in partner's capital.

In fiscal 2021, the net cash from financing activities was ₹ 104.04 lakhs. This was on account of proceeds from Long Term & Short-Term Borrowings, interest paid on borrowings and increase in partner's capital.

## **RELATED PARTY TRANSACTIONS**

Related party transactions with certain of our promoter, directors and their entities and relatives primarily relate to remuneration, salary, commission and issue of Equity Shares. For further details of related parties kindly refer chapter titled "Restated Financial Statements" beginning on page 163 of this Draft Prospectus.

## **OFF-BALANCE SHEET ITEMS**

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

## **QUALIFICATIONS OF THE STATUTORY AUDITORS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS**

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

## **QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

### ***Financial Market Risks***

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

### ***Interest Rate Risk***

Our financial results are subject to changes in interest rates, which may affect our debt service obligations in future and our access to funds.

### ***Effect of Inflation***

We are affected by inflation as it has an impact on the salary, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

### ***Credit Risk***

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

## **OTHER MATTERS**

### **Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled “*Restated Financial Statements*” beginning on page 163 of this Draft Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last three Fiscals.

### **Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, during the period/ years under review there have been no transactions or events, which in our best judgment, would be considered “unusual” or “infrequent”.

### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations. There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except as described in chapter titled “*Risk Factors*” beginning on page 23 of this Draft Prospectus.

### **Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on page 23 and 167 of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### **Future relationship between Costs and Income**

Other than as described in the section titled “*Risk Factors*” beginning on page 23 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

### **The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Changes in revenue in the last three financial years are as explained in the part “*Financial Year 2022-23 compared with financial year 2021-22 and Financial Year 2021-22 Compared with Financial Year 2020-21*” above.

### **Significant dependence on a single or few Suppliers or Customers**

Significant proportion of our purchases have historically been derived from a limited number of suppliers. The % of Contribution of our supplier’s *vis a vis* the total purchases for the period ended December 31, 2023 and June 26, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 are as follows:

<b>Particulars</b>	<b>For the period ended December 31, 2023</b>	<b>For the period ended June 26, 2023</b>	<b>For the year ended March 30, 2023</b>	<b>For the year ended March 30, 2022</b>	<b>For the year ended March 30, 2021</b>
Top 10 Suppliers	89.27 %	90.31 %	85.12 %	89.41 %	95.60 %

(% of total Purchase)					
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Significant proportion of our total revenue have historically been derived from a limited number of Customers. The % of Contribution of our Customers *vis a vis* the revenue from operations for the period ended December 31, 2023 and June 26, 2023 and for the financial year ended March 31, 2023, 2022 and are as follows:

Particulars	For the period ended December 31, 2023	For the period ended June 26, 2023	For the year ended March 30, 2023	For the year ended March 30, 2022	For the year ended March 30, 2021
Top Ten Customers (% of revenue from operations)	47.93	51.39	43.46	51.20	62.94

**Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page 111 of this Draft Prospectus for new products or business segments.

**The extent to which the business is seasonal**

Our business is not seasonal in nature.

**Competitive Conditions**

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Our Business*” beginning on pages 88 and 111, respectively of the Draft Prospectus.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this DP; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this DP and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this DP; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this DP; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Prospectus:*

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoter, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 5% of the revenue of the Company for the most recent audited fiscal period;*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters or fraudulent borrower by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

### **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER, SUBSIDIARIES, GROUP COMPANIES**

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

###### **1) Litigation involving Criminal Laws**

NIL

###### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

###### **3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:**

**GST No. 27AQYPP6331P1ZQ**

M/s. Sanjay Metal Corporation (GST No. 27AQYPP6331P1ZQ) (hereinafter referred to as “the assessee”) have been issued with a notice bearing no. ZD270923022415G dated September 11, 2023 issued under Section 61 r.w. Rule 99

of the GST Rules, intimating discrepancies noticed in the return for the F.Y. 2020-21, after scrutiny and the assessee have accordingly been required to pay an interest of Rs. 32,580/- on delayed payment of taxes during the F.Y. 2020-21 and the same is pending.

**Direct Tax: NIL**

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

Indirect Tax: NIL

Direct Tax: NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES AND/OR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR SUBSIDIARIES AND /OR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax: NIL**

**Direct Tax: NIL**

**5) Other Pending Litigation based on Materiality Policy of our Company**



NIL

## **B. LITIGATION FILED BY OUR SUBSIDIARIES AND/ OR GROUP COMPANIES**

### **1) Litigation involving Criminal Laws**

NIL

### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

### **3) Disciplinary Actions by Authorities**

NIL

### **4) Litigation involving Tax Liability**

NIL

### **5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

## **DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoter, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

## **PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this Draft Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Prospectus

## **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Draft Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

## **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

## **NON-PAYMENT OF STATUTORY DUES**

As on the date of the Draft Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

## **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Prospectus.

## **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoter, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

## **DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoter or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

## **MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 167 of this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

## **OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on December 31, 2023:

<b>Name</b>	<b>Amount (₹ in Lakhs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	-
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	540.68

## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

### APPROVALS IN RELATION TO OUR COMPANY'S INCORPORATION

1. Certificate of Incorporation dated April 05, 2019 from the Registrar of Companies, Central Registration Centre issued on behalf of Jurisdictional Registrar of Companies under the Limited Liability Partnership Act, 2008 as "M/s. GSM FOILS LLP" (LLP Identification Number- AAO-7932)
2. Fresh Certificate of Incorporation dated June 27, 2023 from the Registrar of Companies, Central Registration Centre issued on behalf of Jurisdictional Registrar of Companies under the Companies Act, 2013 pursuant to conversion from "GSM FOILS LLP" to "GSM FOILS PRIVATE LIMITED" (Company registration no. (U43303MH2023PTC405459)
3. Fresh Certificate of Incorporation dated September 04, 2023 from the Registrar of Companies, Maharashtra, RoC-Mumbai, consequent to conversion of the Company from "GSM FOILS PRIVATE LIMITED" to "GSM FOILS LIMITED" (Corporate Identification No. - U43303MH2023PLC405459)

### APPROVALS IN RELATION TO THE ISSUE

#### *Corporate Approvals*

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on March 06, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated March 07, 2024 under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated March 28, 2024 and [●] authorized our Company to take necessary action for filing the Draft Prospectus and Prospectus with NSE EMERGE

#### *Approvals from Stock Exchange*

Our Company has received in - principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

#### *Other Approvals*

1. The Company has entered into a tripartite agreement dated January 05, 2024 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated January 05, 2024 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

### APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS

#### *Tax Related Approvals*

Sr. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	M/s. GSM Foils Limited	AAKCG5544L	Income Tax Department	June 27,2023	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	M/s. GSM Foils Limited Gala No 18, BLDG/2 Apex Commercial Complex Western Highway Vasai East Maharashtra -401202	PNEG29993F	Income Tax Department	June 27, 2023	Valid till Cancelled
3.	GST Registration Certificate (Maharashtra)	M/s. GSM Foils Limited,Diamond Industrial Estate,Gala No 6, 106, 206, 306,Sapphire Industrial Estate Naikpada Road, Burma Shell Petrol Pump,Vasai East, VasaiVirar,Palghar Maharashtra-401208	27AAKCG5544L1Z4	Goods and Services Tax department	June 27, 2023	Valid till Cancelled
4.	Professional Tax Enrolment Certificate (P.T.E.C)	M/s. GSM Foils Limited Gala No 18, Building 2, Apex Commercial Complex,Vasai East ie, Vasai, Palghar, 401208	99374731138P	Government of Maharashtra Commercial Taxes Department	April 01,2023	Valid till Cancelled
5.	Professional Tax Registration Certificate P.T.R.C	M/s. GSM Foils Limited Gala No 6, 106, 206, 306, Sapphire Industrial Estate Naikpada Road, Burma Shell Petrol Pump,Vasai East, Vasai Virar,Palghar Maharashtra-401208	27902263433P	Government of Maharashtra Commercial Taxes Department	January 04,2024	Valid till Cancelled

**Registrations related to Labour Laws:**

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Udyam Registration Certificate	M/S GSM Foils Limited Unit No 18,19 & 20 Apex Commercial Complex Vasai East Opp Toyota Showroom Western Express Highway, Palghar Maharashtra-401208	UDYAM-MH-17-0120462	Ministry Of Micro Small & Medium Enterprises	November 28,2023	Valid till cancelled
2.	Registration under Employees Provident Fund	GSM Foils Private Limited, Gala No 18, Building 2,	KDMAL2979597000	Regional Employees Provident Fund	July 06, 2023	Valid till cancelled

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
		Apex Commercial Complex,Bassein, Thane-401202 Maharashtra		Organization, Vasai East		
3.	Registration under Employees State Insurance Corporation	GSM Foils Private Limited, Gala No 18, Building 2, Apex Commercial Complex,Bassein-401202 Maharashtra	35000836840000606	Regional Employees State Insurance Corporation, Vasai East	July 20, 2023	Valid till cancelled

**Business Related Approvals:**

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	ISO 9001:2015 for Manufacturer of Aluminium Coated Blister Foils and Strip Pharma Foils and printed foils for Pharmaceutical Industries	GSM Foils Limited Gala No 6, 106, 206, 306, Ground Floor, Sapphire Building, Diamond Industrial Estate, Behind Burma Shell Petrol Pump,Vasai East, Dist.: Palghar, Maharashtra-401208	23AACA2272Q	International Quality Certification Services UK Ltd.	November 21, 2023	November 20, 2026
2.	LEI (Legal Entity Identifier)	M/s GSM Foils Limited Ground Floor Survey No 3/4/5, Unit No 19, Apex Commercial Complex, Western Expressway, Near Al Buraak Hotel, Virar,Palghar,In	894500EZZB1NSZRR7909	Legal Entity Identifier India Limited	December 12,2023	December 12,2024

**Certificates Existing in the name of Erstwhile GSM Foils LLP:**

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	GST Registration Certificate (Maharashtra)	M/s. GSM FOILS LLP Ground Floor, Bldg No.2, Gala No 18,19,20, Apex Commercial Complex, Western Express Highway, Waliv, Vasai East,	27AATFG8371R1Z6	Goods and Services Tax department	Effective from April 16, 2019	Valid till Cancelled

Sr No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
		Palghar, Maharashtra, 401202				

## INTELLECTUAL PROPERTY

As on date of this Draft Prospectus, our Company does not have any intellectual property rights

### Domain Name

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	https://gsmfoils.com/	2817948379_DOMAIN_COM-VRSN	GoDaddy.com, LLC IANA ID:146	September 29,2023	September 29,2024

## LICENSES APPLIED FOR:

S. No.	Description	Address of Premises	Authority to which application made	Existing Registration number if any	Purpose of Application
1.	Application for Grant of factory License	GSM Foils Limited, Gala No 6/106/206/306, Ground Floor, Sapphire Building, Diamond Industrial Estate, Behind Burma Petrol Pump, Vasai East, Dist.: Palghar, Maharashtra-401208	District Industries Centre	Form-1 100006402421 Dated January 23,2024	Application for factory License
2.	Application for Consent and Authorization to Operate u/s. 25 & 26 of Water (Prevention and Control of pollution) Act, 1974 and Sec. 21 of Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Waste (Management & Transboundary Movement) Rules, 2016	GSM Foils Limited, Gala No 6/106/206/306, Ground Floor, Sapphire Building, Diamond Industrial Estate, Behind Burma Petrol Pump, Vasai East, Dist.: Palghar, Maharashtra-401208	Maharashtra Pollution Control Board	UAN No. MPCB- CONSENT- 0000198775  Dated February 13,2024	Fresh Application

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of name of the Company pursuant to change of its constitution from Limited Liability Partnership firm to Private Limited and subsequently to Public Limited Company.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

Our Board of Directors have *vide* resolution dated March 06, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra Ordinary General Meeting held on March 07, 2024 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Company has obtained approval from NSE *vide* letter dated [●] to use the name of NSE in this Offer Document for listing of equity shares on the NSE Emerge. NSE is the designated stock exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our company, promoter, members of the promoter group, directors, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### PROHIBITION BY RBI

Neither our Company nor any of our Promoters or Directors has been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, our Promoters and Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Prospectus.

### ELIGIBILITY FOR THE ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Issue is an “Initial Public Issue” in terms of the SEBI ICDR Regulations.

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post Issue face value capital is exceed ₹ 10 crores but does not exceed ₹ 25 crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the NSE Emerge).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE Emerge.

- a) Our Company was incorporated on June 27, 2023 under the provisions of Companies Act, 2013 with the Registrar of Companies, Central Registration Centre and the erstwhile LLP was incorporated on April 05, 2019 under the provisions of Limited Liability Partnership Rules, 2009 with Registrar of Companies, Central Registration Centre. Hence, our Company including its erstwhile Limited Liability partnership is in existence for a period of 4 years on the date of filing the Draft Prospectus with NSE.
- b) As on the date of this Draft Prospectus, our Company has a total paid-up capital (face value) of ₹ 937.16 Lakhs comprising 93,71,649 Equity Shares of ₹ 10/- each and the Post Issue paid-up Capital (face value) will be ₹ 128.11 Lakhs comprising 1,28,11,649 Equity Shares which shall be below ₹ 25 crores.
- c) Our Company including its erstwhile partnership firm has completed its operation for three years.

- d) As per the Restated Financial Statements, our Company has operating profit (earnings before interest, depreciation and tax excluding other income) from operations of ₹ 202.72 Lakhs as on December 31, 2023, ₹ 87.22 Lakhs June 26, 2023, ₹ 283.51 Lakhs in Fiscal 2023, ₹ 131.58 Lakhs in Fiscal 2022 and ₹ 72.07 lakhs in Fiscal 2021 i.e., in all the 3 financial years and for the period ended June 26, 2023 and December 31, 2023 preceding the date of this Draft Prospectus and Net-worth of our Company (excluding revaluation reserves) is ₹ 126.99 lakhs as on December 31, 2023 and hence is positive.
- e) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our company and promoting companies.
- f) There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
- g) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.
- h) Other Disclosures:
- We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) of our company in the Draft Prospectus.
  - There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) during the past three years except as mentioned in the Draft Prospectus.
  - We have disclosed the details of our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “*Outstanding Litigations and Material Developments*” on page 179 of this Draft Prospectus.
  - We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigations and Material Developments*” on page 179 of this Draft Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a) The Draft Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the Emerge platform of NSE. NSE is the Designated Stock Exchange.
- b) Our Company has entered into an agreement dated January 05, 2024 with NSDL and agreement dated January 05, 2024 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- c) The entire pre-Issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.
- d) The entire Equity Shares held by the Promoters is in the process of dematerialization.
- e) The fund requirements set out for the Objects of the Issue are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under the SEBI ICDR Regulations. For details, please refer the chapter “*Objects of the Issue*” on page 69 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.



Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**We further confirm that:**

1. In accordance with Regulation 246 of the SEBI ICDR Regulations, the lead manager shall ensure that the issuer shall file copy of the Prospectus with SEBI along with relevant documents as required at the time of filing the Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI ICDR Regulations, this Issue is 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 51 of this Draft Prospectus.
3. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be unblocked or refunded forthwith. If such money is not unblocked or repaid within four days from the date our company becomes liable to unblock or repay it, then our company and every officer in default shall, on and from expiry of fourth day, be liable to unblock or repay such application money, with interest as prescribed under SEBI ICDR Regulations and section 40 of the Companies Act, 2013.

**COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, SHRENI SHARES LIMITED (FORMERLY KNOWN AS SHRENI SHARES PRIVATE LIMITED) HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED**

**UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS ISSUE DOCUMENT.**

**Note:** All legal requirements pertaining to the Issue will be complied with at the time of registration of this Prospectus with the RoC in terms of section 26 of the Companies Act, 2013.

**DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.gsmfoils.com](http://www.gsmfoils.com), or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Shreni Shares Limited (Formerly known as Shreni Shares Private Limited) is not an associate of the Company and is eligible to be appointed as the Lead Manager in this Issue, under SEBI MB Regulations.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Neither our Company nor Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

**DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be issued or sold, directly or indirectly, and the Draft

Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Eligibility and Transfer Restrictions**

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) 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 jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Applicants are advised to ensure that any application from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

### **DISCLAIMER CLAUSE OF THE NSE**

As required, a copy of the Draft Prospectus shall be submitted to the NSE EMERGE. The Disclaimer Clause as intimated by the NSE EMERGE to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

### **LISTING**

The Equity Shares issued through the Prospectus are proposed to be listed on NSE EMERGE. Application have been made to NSE EMERGE for obtaining permission for listing of the Equity Shares being issued and sold in the Issue on its NSE EMERGE after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our company has obtained In-principle approval from NSE vide letter dated [●] to use name of NSE in the Prospectus for listing of equity shares on NSE EMERGE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE EMERGE the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE mentioned above are taken within three (3) Working Days of the Issue Closing Date or such period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Issue within 3 Working Days from the Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Applicants, failing which interest shall be due to be paid to the Bidders at the rate of 15% p. a, for the delayed period.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE mentioned above are taken within three (3) Working Days of the Issue Closing Date.

### **CONSENTS**

Consents in writing of: (a) The Directors, Promoters, the Chief Financial Officer, Company Secretary & Compliance Officer, Peer Review Auditors and the Statutory Auditors; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisors to the Issue, Bankers to the Issue <sup>(1)</sup>, Bankers to the company, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013.

<sup>(1)</sup> *The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, Peer Reviewed Auditors, /S. A Y & CO., Chartered Accountants, have provided their written consent to the inclusion of Restated Financial Statements dated March 22, 2024 and to the inclusion of their reports dated March 22, 2024 on Statement of Tax Benefits, which may be available

to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

## EXPERT OPINION

Except the report of the Peer Reviewed Auditors on statement of tax benefits and report on Restated Financial Statements for the period ended December 31, 2023 and June 26, 2023 and for the financial years ended March 31, 2023, 2022 and 2021 as included in this Draft Prospectus, our Company has not obtained any expert opinion.

Here, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## PREVIOUS PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE YEARS

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

## COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

## CAPITAL ISSUES DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY

Except as disclosed in Chapter titled “*Capital Structure*” on page 59 of Draft Prospectus, our Company has not made any capital issue during the previous three years.

For details in relation to our group companies, please see chapter titled “*Our Group Company*” on page 161 of Draft Prospectus.

## PERFORMANCE VIS-À-VIS OBJECTS

Except as stated in the chapter titled “*Capital Structure*” beginning on page 59 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

For details in relation to our group companies, please see chapter titled “*Our Group Company*” on page 161 of Draft Prospectus.

## PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited):

Sr. No.	Issuer name	Issue size (₹ Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
<b>Mainboard IPO Issues</b>								
-	-	-	-	-	-	-	-	-
<b>SME IPO Issues</b>								

Sr. No.	Issuer name	Issue size (₹ Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
1.	AccelerateBS India Limited	5.69	90.00	July 19, 2023	109.50	+41.56% [-2.90%]	+187.00% [-1.39%]	+123.33% [+8.15%]
2.	C P S Shapers Limited	11.10	185.00	September 07, 2023	450.00	+138.92% [-0.37%]	+149.86% [+5.72%]	+76.95% [+13.58%]
3.	Meson Valves India Limited	31.09	102.00	September 21, 2023	193.80	+203.87% [-1.26%]	+360.39% [+7.86%]	+473.73% [+9.84%]
4.	Marco Cables & Conductors Limited	18.73	36.00	September 28, 2023	38.70	+45.83% [-2.44%]	+46.25% [+9.82%]	+20.00% [+13.18%]
5.	KK Shah Hospitals Limited^	8.78	45.00	November 06, 2023	56.10	+84.00% [+6.68%]	+56.67% [+10.97%]	-
6.	Swasthik Plascon Limited	40.76	86.00	December 05, 2023	120.10	+20.00% [+2.97%]	+2.33% [+6.42%]	-
7.	Net Avenue Technologies Limited	10.25	18.00	December 08, 2023	42.00	+75.28% [+3.54%]	+10.56% [+7.18%]	-
8.	AIK Pipes and Polymers Limited	15.02	89.00	January 02, 2024	100.00	+33.34% [-0.20%]	-	-
9.	Delaplex Limited	46.08	192.00	February 02, 2024	309.00	+43.36% [+2.22%]	-	-
10.	Gabriel Pet Straps Limited	8.06	101.00	February 07, 2024	115.00	+32.67% [+2.73%]	-	-

Source: [www.bseindia.com](http://www.bseindia.com) / [www.nseindia.com](http://www.nseindia.com)

**Notes:**

1. The BSE SENSEX and CNX NIFTY are considered as the Benchmark Index.
2. Price on BSE/NSE are considered for all the above calculations.
3. In case 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day is not a trading day, closing price of the previous trading day has been considered.
4. In case 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day, scripts are not traded then the last trading price has been considered.
5. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the lead manager are provided.

**Summary statement of price information of past issues handled by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited):**

Financial Year	Total no. of IPOs	Total funds raised (₹ Crores)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> 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%
2023-2024 <sup>@</sup>	13 <sup>**</sup> *	260.67	-	-	-	6	6	1	-	-	-	6	-	1
2022-2023 <sup>#</sup>	10 <sup>**</sup>	156.29	-	-	-	5	2	3	-	-	1	5	-	4
2021-2022	5 <sup>*</sup>	25.00	-	-	-	1	1	3	-	-	-	1	1	3

\* The script of Getalong Enterprise Limited, DMR Hydroengineering & Infrastructures Limited, Alkosign Limited, Quality RO Industries Limited and Ekennis Software Service Limited were listed on October 08, 2021, December 07, 2021, February 01, 2022, February 09, 2022 and March 07, 2022 respectively.

\*\*The script of Fidel Softech Limited, SKP Bearing Industries Limited, Olatech Solutions Limited, Ameya Precision Engineers Limited, DAPS Advertising Limited, Amiable Logistics (India) Limited, PNGS Gargi Fashion Jewellery Limited, Arihant Academy Limited, Srivasavi Adhesive Tapes Limited and Bright Outdoor Media Limited were listed on June 10, 2022, July 13, 2022, August 29, 2022, September 08, 2022, November 14, 2022, November 16, 2022, December 20, 2022, December 29, 2022, March 09, 2023 and March 24, 2023 respectively.

\*\*\*The script of Sancode Technologies Limited, Veefin Solutions Limited, Global Pet Industries Limited, AccelerateBS India Limited, C P S Shapers Limited, Meson Valves India Limited, Marco Cables & Conductors Limited, KK Shah Hospitals Limited, Swasthik Plascon Limited, Net Avenue Technologies Limited, AIK Pipes and Polymers Limited, Delaplex Limited and Gabriel Pet Straps Limited were listed on April 18, 2023, July 05, 2023, July 10, 2023, July 19, 2023, September 07, 2023, September 21, 2023, September 28, 2023, November 06, 2023, December 05, 2023, December 08, 2023, January 02, 2024, February 02, 2024 and February 07, 2024 respectively.

<sup>@</sup> The script of KK Shah Hospitals Limited, Swasthik Plascon Limited, Net Avenue Technologies Limited, AIK Pipes and Polymers Limited, Delaplex Limited and Gabriel Pet Straps Limited have not completed 180 days from the date of listing.

<sup>^</sup> In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 244(3) of the SEBI ICDR Regulations, Shreni Shares Limited being associate of KK Shah Hospitals Limited and its role was limited to marketing of the Issue.

**Note:** Rights Issues lead managed by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited) have not been included in the abovementioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

#### **TRACK RECORD OF PAST ISSUES HANDLED BY LEAD MANAGER**

For details regarding track record of the Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.shreni.in](http://www.shreni.in).

#### **STOCK MARKET DATA OF EQUITY SHARES**

This being an initial public offer of the 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**

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of three years from the date of listing and commencement of trading of the Equity Shares to enable the applicants to approach the Registrar to the Issue for redressal of their grievances. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

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

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Issue Closing Date, the applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable law, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism has become applicable for investor grievances in relation to applications made through the UPI Mechanism for public issues opening on or after May 1, 2021, 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 Application Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchange 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 the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Application 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 Application 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 Application Amount, whichever is higher	From the Working Day subsequent to the finalisation 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 Lead Manager shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher. 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.

Our Company, the LM and the Registrar to the Issue 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.

For helpline details of the Lead Manager pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see “General Information – Lead Manager” on page 51 of this Draft Prospectus.

The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Applicants. Applicants can contact our Company Secretary and Compliance officer or the Registrar to the Issue in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has also appointed Mr. Pratik M. Makwana, Company Secretary and Compliance officer. For details, see “General Information” beginning on page 51 of this Draft Prospectus.

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 (seven) 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 within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Our Company shall, after filing of this Draft Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Further, our Board by a resolution on March 06, 2024 has also constituted a Stakeholders’ Relationship Committee. The composition of the Stakeholders’ Relationship Committee is as follows:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Mahesh Virchand Mehta	Non-Executive Independent Director	Chairman
Mr. Vijay V Pandya	Non-Executive Independent Director	Member
Mr. Mohansingh L Parmar	Managing Director	Member

For further details, please see the chapter titled “Our Management” beginning on page 143 of this Draft Prospectus.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

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



## SECTION IX – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum and Articles of Association, SEBI LODR Regulations, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note, Allotment advices and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, 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 NSE EMERGE, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

#### THE ISSUE

The Issue comprises of a Fresh Issue of Equity shares.

#### RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum of Associations and Articles of Association shall rank pari passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “*Main Provisions of the Articles of Association*” beginning on page 229 of this Draft Prospectus.

#### 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 Memorandum and Articles of Association and provisions of the SEBI LODR Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” beginning on page 162 and 229, respectively of this Draft Prospectus.

#### FACE VALUE AND ISSUE PRICE

The Equity Shares having a face value of ₹10/- each are being issued in terms of this Draft Prospectus at the price of ₹ 32/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “*Basis for Issue Price*” beginning on page 77 of this Draft Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS

Our Company shall comply with all applicable 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 our Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to receive Annual Reports and notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;

7. Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of the Articles of Association*” beginning on page 229 of this Draft Prospectus.

#### **ALLOTMENT ONLY IN DEMATERIALIZED FORM**

Pursuant to Section 29 of the Companies Act 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. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite agreement dated January 05, 2024 amongst our Company, CDSL and Registrar to the Issue.
2. Tripartite agreement dated January 05, 2024 between our Company, NSDL and Registrar to the Issue.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE EMERGE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 4,000 Equity Share subject to a minimum allotment of 4,000 Equity Shares to the successful Applicants.

Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.

#### **JOINT HOLDERS**

Subject to the provisions contained in our 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.

#### **JURISDICTION**

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Issue.

#### **NOMINATION FACILITY TO INVESTORS**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

Allotment of Equity Shares to successful Applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchange.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Applicants within one (1) working day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an Issue, our Company shall file a fresh Prospectus.

#### **ISSUE PROGRAM**

An indicative timetable in respect of the Issue is set out below:

<b>Issue Opens on</b>	[●]
<b>Issue Closes on</b>	[●]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before [●]
<b>Initiation of Refunds / unblocking of funds from ASBA Account or UPI ID linked bank account *</b>	On or before [●]
<b>Credit of Equity Shares to demat account of the Allottees</b>	On or before [●]
<b>Commencement of Trading of the Equity Shares on the Stock Exchanges</b>	On or before [●]

1. Our Company shall, in consultation with the Lead Manager, consider closing the Issue Period for QIBs, one Working Day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations.
2. UPI mandate end time and date shall be at 5.00 p.m. on Issue Closing Date.

\* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying 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 Applicant 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 Application Amount, the Applicant 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 Application, exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of

doubt, the provisions of the and 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/2022/51 dated April 20, 2022 SEBI circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

**The above timetable is indicative and does not constitute any obligation or liability on our Company or the Lead Manager.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, the timetable may change due to various factors, such as extension of the Issue Period by our Company in consultation with the Lead Manager, or any delays in receiving the final listing and trading approval from the Stock Exchange or delay in receipt of final certificates from SCSBs, etc. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.**

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Investors after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In terms of the UPI Circulars, in relation to the Issue, the Lead Manager will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Two (2) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100/- per day for the entire duration of delay exceeding Two (2) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. 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 Prospectus may result in changes to the abovementioned timelines. Further, the issue procedure is subject to change basis any revised SEBI circulars to this effect.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Two (2) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100/- per day for the entire duration of delay exceeding Two (2) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. 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 Prospectus may result in changes to the above-mentioned timelines. Further, the issue procedure is subject to change basis any revised SEBI circulars to this effect.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Issue closure time from the Issue Opening Date till the Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

**It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Investors can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten per Regulation 260(1) of SEBI ICDR Regulations.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Issue Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within 15 days from the closure of the issue, if there is a delay beyond such time, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within two (2) working days of closure of Issue.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the application law of such jurisdiction.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 4,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE.

## **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for the lock-in of the pre- issue capital of our Company as provided in “*Capital Structure*” beginning on page 59 of this Draft Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page 229 of this Draft Prospectus.

## **NEW FINANCIAL INSTRUMENTS**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

## **AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## **MIGRATION TO MAIN BOARD**

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. The migration policy of NSE was intimated vide circular Download Ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular Download Ref. No. NSE/SME/37551 dated April 18, 2018 and NSE/SME/47077 dated January 21, 2021. NSE has further reviewed and revised the migration policy effective from April 20, 2023 from NSE Emerge to NSE Main Board as follows:

1. The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalisation of the company's equity shall not be less than ₹25 crores\*\*

*\*\* Explanation for this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares*

2. The company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
3. The company should have been listed on SME platform of the Exchange for at least 3 years.
4. The Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
5. The company has not received any winding up petition admitted by a NCLT.
6. The net worth of the company should be at least ₹50 crores.
7. Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.
8. The company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:
  - a) The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.
  - b) Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.
  - c) Redressal mechanism of Investor grievance.
  - d) PAN and DIN no. of Director(s) of the Company.

Change in Control of a Company/Utilisation of funds raised from public

## **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on NSE EMERGE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be

prescribed by the Stock Exchange, from the date of listing on NSE EMERGE. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page 51 of this Draft Prospectus.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of the Chapter IX of SEBI ICDR Regulations, as amended from time to time, whereby, our post Issue face value capital exceeds ten crore rupees but does not exceed twenty-five crore rupees. The Company shall Issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE Emerge). For further details regarding the salient features and terms of such this Issue, please see the chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on page 198 and 207 respectively, of this Draft Prospectus.

### ISSUE STRUCTURE

This Issue comprised of Initial Public Offering of 34,40,000 Equity Shares for Cash at an Issue Price of ₹ 32/- per Equity Share. The Issue comprises a reservation of 1,76,000 Equity Shares of face value of ₹10/- each for subscription by the designated Market Maker (“**the Market Maker Reservation Portion**”) and Net Issue to Public of 32,64,000 Equity Shares of face value of ₹10/- each (“**the Net Issue**”). The Issue and the Net Issue will constitute 26.85 % and 25.48 %, respectively of the post Issue paid-up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

Particulars	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation <sup>(1)</sup>	32,64,000 Equity Shares	1,76,000 Equity Shares
Percentage of Issue Size available for Allocation	94.88 % of the Issue Size	5.12 % of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 4,000 Equity Shares and further allotment in multiples of 4,000 Equity Shares each <sup>(1)</sup>  For further details please refer section explaining the Basis of Allotment in the GID	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Individual Investors using Syndicate ASBA)	
Mode of Allotment	Compulsorily in dematerialised form	
Minimum Application Size	<i>For Other than Retail Individual Investors:</i>  Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000.  <i>For Retail Individuals Investors:</i>  Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value does not exceeds ₹ 2,00,000.	1,76,000 Equity Shares
Maximum Application Size	<i>For Other than Retail Individual Investors:</i>  Such number of Equity Shares in multiples of 4,000 Equity Shares not exceeding the size of the Issue, subject to applicable limits to the Applicant.  <i>For Retail Individuals Investors:</i>  Such number of Equity Shares in multiples of 4,000 Equity Shares such that the application value does not exceed ₹ 2,00,000.	1,76,000 Equity Shares
Trading Lot	4,000 Equity Shares	4,000 Equity Shares. However, the Market Maker may buy odd lots if any



Particulars	Net Issue to Public	Market Maker Reservation Portion
		in the market as required under the SEBI ICDR Regulations.
Who can Apply <sup>(2)</sup>	<p><i>For Other than Retail Individual Investors:</i></p> <p>Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.</p>	Market Maker
Terms of Payment <sup>(3)</sup>	The entire Application Amount will be payable at the time of submission of the Application Form.	
Application Lot Size	4,000 Equity Share and in multiples of 4,000 Equity Shares thereafter	

<sup>^</sup> As specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchange 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 Individual Investors, QIBs, Non-Institutional Investors, and also for all modes through which the applications are processed.

<sup>(1)</sup> Since present Issue is a fixed price Issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI ICDR Regulations, shall be made as follows:

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

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

*Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the Issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage."*

<sup>(2)</sup> In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

<sup>(3)</sup> In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including Retail Individual Investors applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please refer chapter titled "Issue Procedure" beginning on page 207 of this Draft Prospectus.

## ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Offer (“GID”) prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 & UPI Circulars which highlights the key rules, processes and procedures applicable to public offers in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of Stock Exchange(s), the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) General Instructions (limited to instructions for completing the Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Application Form; (xi) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using UPI and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the process and timeline of T+6 days (“UPI Phase I”). The same was applicable until June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with timeline of T+6 days will continue for a period of three months or launch of five main board public offers, whichever is later (“UPI Phase II”). However, given the prevailing uncertainty due to the COVID-19 pandemic, 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. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 and made effective on a voluntary basis for all issues opening on or after September 01, 2023 and on a mandatory basis for all issues opening on or after December 01, 2023, as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by SEBI from time to time. Please note that we may need to make appropriate changes in the Prospectus depending upon the prevailing conditions at the time of the opening of the Issue.

The LM shall be the nodal entity for any Issues arising out of the public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

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 271 application monies are blocked in the bank accounts of investors (all categories). 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

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two (2) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two (2) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Additionally, SEBI vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has reduced the time period for refund of application monies from 15 days to four days.*

*Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications 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 this Draft Prospectus and the Prospectus.*

*Further, the Company and the Lead Manager are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.*

**Investors must ensure that their PAN is linked with Aadhar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.**

*Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized 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, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. However, they may get the Equity Share rematerialized subject to allotment of the equity shares in the Issue, subject to applicable laws.*

## **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the "UPI Circulars") in relation to streamlining the process of public issue of equity shares and convertibles. 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 the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public Issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Investor would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing would continue to be six working day.

**Phase II:** This phase commenced on completion of Phase I, i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public offers, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the 272 current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six working days during this phase..

**Phase III:** Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days has been made applicable in two phases i.e., (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Circular, once Phase III becomes applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

Individual investors applying under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through 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

Pursuant to the UPI Circulars, 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 Circulars 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 applicants 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 – issue LM will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one or more of the SCSBs as a Sponsor Bank(s) 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 Investors.

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 LM, 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 shall be paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the LM.

#### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of SEBI ICDR Regulations through a Fixed Price Process wherein 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be issued to individual applicants other than Retail Individual Investors and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at an Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UIP ID (for UPI applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

#### **AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS**

Copies of the Application Form and the Abridged Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

All Applicants (other than Applicants using the UPI mechanism) shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Investors using UPI Mechanism for an application size of up to ₹ 5,00,000 may participate in the Issue through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA)	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue*

\*Excluding Electronic Application Form.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by UPI applicants (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

For UPI applicants using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI applicants for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI applicants, 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 applicants (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Banker to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as 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/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”):

1. An SCSB, with whom the bank account to be blocked, is maintained
2. A syndicate member (or sub-syndicate member)
3. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4. A Depository Participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5. A Registrar to an Issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<p><b>For Applications submitted by Investors to SCSBs:</b></p>	<p>After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.</p>
<p><b>For applications submitted by investors to intermediaries other than SCSBs:</b></p>	<p>After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.</p>
<p><b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b></p>	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.</p>

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

**Who Can Apply?**

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;

5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.
24. Applications not to be made by:
  - (a) Minors (except through their Guardians)
  - (b) Partnership firms or their nominations
  - (c) Foreign Nationals (except NRIs)
  - (d) Overseas Corporate Bodies

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **For Retail Individual Investors**

The Application must be for a minimum of 4,000 Equity Shares and in multiples of 4,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2,00,000.

**For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of 4,000 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Investors, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

**BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio). For applications where the proportionate allotment works out to less than 4,000 Equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 4,000 Equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
3. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4,000 Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 4,000 Equity shares subject to a minimum allotment of 4,000 Equity shares.
4. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 4,000 Equity shares, results in the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the issue specified under the Capital Structure mentioned in this Draft Prospectus.
5. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - (a) As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.



- (b) The balance net issue of shares to the public shall be made available for allotment to:
- i. Individual applicants other than retails individual investors; and
  - ii. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- (c) The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.
6. Retail Individual Investors' means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. The Promoters, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

#### **APPLICATION BY HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCsB or should confirm/accept the UPI Mandate Request (in case of UPI applicants using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCsB or should confirm/accept the UPI Mandate Request (in case of UPI applicants applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Issue shall be subject to the FEMA Non -Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted 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 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 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 further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 229 of this Draft Prospectus.

#### **APPLICATION BY FPIs AND FIIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid -up Equity Share capital of our Company and 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 Non -Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid -up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

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 Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for Issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

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 derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- (a) each 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 to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue is advised to use the Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Applications 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 Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure “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, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

#### **APPLICATION BY SEBI REGISTERED AIF, VCF AND FVCI**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public issue of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation 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.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our company in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

Equity shares of a company: the lower of 10%<sup>(1)</sup> of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;

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 a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) above, as the case may be.

*(1) The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs.2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs.500,000 million or more but less than Rs.2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (“Banking Regulation Act”), and the 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 not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company’s paid-up share capital and reserves.

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Application, without assigning any reason

thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### **APPLICATIONS BY SCSBS**

SCSBS participating in the Issue is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. 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.

The information set out above is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that any single application 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 regulations, or as specified in this Draft Prospectus and the Prospectus.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs250 million (subject to applicable laws) and pension funds with a minimum corpus of Rs250 million (subject to applicable laws), 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, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)**

**Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

#### **METHOD AND PROCESS OF APPLICATIONS**

The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.

The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.

During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.

The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.

Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to

SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **TERMS OF PAYMENT**

The entire Issue price of ₹ 32/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

#### **PAYMENT MECHANISM**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Individual Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.

2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - (a) Name of the Applicant;
  - (b) IPO Name;
  - (c) Application Form Number;
  - (d) Investor Category;
  - (e) PAN (of First Applicant, if more than one Applicant);
  - (f) DP ID of the demat account of the Applicant;
  - (g) Client Identification Number of the demat account of the Applicant;
  - (h) Number of Equity Shares Applied for;
  - (i) Bank Account details;
  - (j) Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - (k) Bank account number
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Individual Investors and Retail Individual Investors, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our

Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

Our company has entered into an Underwriting Agreement dated March 23, 2024.

A copy of Prospectus will be filed with the ROC in terms of Section 26 of Companies Act, 2013.

For further details please refer to Section titled "*General Information*" on page no. 51 of this Draft Prospectus.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper and regional editions of a daily newspaper where our Registered Office is located, each with wide circulation. In the pre-Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **ALLOTMENT ADVERTISEMENT**

Our Company, the Lead Manager and the Registrar to the Issue shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper and regional editions of a daily newspaper where our Registered Office is located, each with wide circulation.

#### **ISSUANCE OF CONFIRMATION ON ALLOCATION NOTE AND ALLOTMENT IN THE ISSUE**

Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.

On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **DESIGNATED DATE**



On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

## **GENERAL INSTRUCTIONS**

### **Do's:**

1. Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
2. Ensure that you have applied within the Price Band
3. Read all the instructions carefully and complete the Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicant's depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. UPI Applicants using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
6. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number and such ASBA account belongs to you and no one else if you are not an RII bidding using the UPI Mechanism in the Application Form (with maximum length of 45 characters) and if you are an RII using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Application Form;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for UPI Mechanism for an application size of up to ₹5,00,000 for UPI Applicants) to make an application in the Issue. Investors using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Application Amount are available for blocking, is UPI 2.0 certified by NPCI;
8. If the first applicant is not the bank account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form (for all Applicants other than Retail Individual Investors, bidding using the UPI Mechanism);
9. All Applicants should submit their Applications through the ASBA process only;
10. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
11. Retail Individual Investors submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Application is listed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in);
12. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement of your application;
14. Investors using the UPI mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
15. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;

16. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
17. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. 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;
20. Ensure that the correct investor category and the investor status is indicated in the Application Form;
21. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Issue;
24. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
25. Applicants, other than Retail Individual Investors using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
26. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
27. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), 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>);
28. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
29. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;

30. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account.
31. Investors using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Investor shall be deemed to have verified the attachment containing the application details of the Investor in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
32. Investors applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
33. Retail Individual Investors using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
34. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
35. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
36. Investors shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date.
37. The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
38. UPI Applicants using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Applicants shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not apply by another Application Form after submission of Application to the Designated Intermediary.
4. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
5. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms to any non-SCSB bank or our Company;
7. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit more than one Application Forms per ASBA Account;
10. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
11. Do not apply for an Application Amount exceeding Rs. 200,000 (for Applications by Retail Individual Investors);

12. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
16. If you are a Retail Individual Investor and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
17. If you are a Retail Individual Investor and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
19. Do not submit an application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. Do not apply 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);
21. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise their applications during the Issue Period and withdraw their Applicants on or before the Issue Closing Date;
22. Do not apply for shares more than specified by respective Stock Exchanges for each category;
23. 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 Applications submitted by Investor using the UPI mechanism;
24. Do not submit incorrect UPI ID details, if you are a Investors applying through UPI Mechanism;
25. If you are a Non-Institutional Investor or Retail Individual Investor, do not submit your application after 3.00 p.m. on the Issue Closing Date;
26. Do not apply if you are an OCB.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-issue or post-issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “General Information” on page 51 of this Draft Prospectus.

For helpline details of the Lead Manager pursuant to the SEBI circular no. SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “General Information – Lead Manager to the Issue” on page 51 of this Draft Prospectus.

## **GROUND FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;

3. Applications submitted on a plain paper;
4. Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
5. Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
6. Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” on page 237 of this Draft Prospectus;
7. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Application submitted without the signature of the First Applicant or sole Applicants;
9. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Application by Retail Individual Investors with Application Amount for a value of more than Rs. 200,000;
12. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
14. Applications accompanied by stock invest, money order, postal order or cash;
15. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document and UPI Circulars.

#### **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 Lead Manager and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **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 issued through the Issue through the Prospectus 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 Issue 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 Retail Individual Investors, Non-Institutional 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 each Retail Individual Investors shall not be less than the minimum lot, subject to the availability of shares in Retail Individual Investors Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. The allotment to each Non-Institutional Investors shall not be less than the Minimum NII 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.

#### **INVESTOR GRIEVANCE**

In case of any pre- Issue or post- Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “*General Information*” on page 51 of this Draft Prospectus.

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 Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100/- per day for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least Rs 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 Rs 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 Rs 5 million or with both.

## **DEPOSITORY ARRANGEMENTS**

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). It is mandatory for the applicants to furnish the details of depository account and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. Specified securities, on allotment, shall be traded on stock exchanges in demat mode only in this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated January 05, 2024 among NSDL, our Company and the Registrar to the Issue.
2. Agreement dated January 05, 2024 among CDSL, our Company and Registrar to the Issue.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

1. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
2. 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 Issue Closing Date or within such other time period prescribed by SEBI will be taken;
3. 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 Issue by our Company;
4. if Allotment is not made within six working days from the Issue Closing Date or such other 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, the SEBI ICDR Regulations and other applicable laws for the delayed period;

5. 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;
6. that if our Company do not proceed with the Issue after the Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The Stock Exchanges shall be informed promptly;
7. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh issue document with SEBI/Stock Exchange, in the event our Company or subsequently decide to proceed with the Issue;
8. adequate arrangements shall be made to collect all Application Forms from Applicants.
9. the Promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public.

The information set out above is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the prescribed limits under applicable laws or regulations.

#### **UTILISATION OF NET PROCEEDS**

Our Board certifies that:

1. all monies received out of the Fresh issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilised out of the Fresh issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. the utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

the details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

## 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 FDI through press notes and press releases. The DPIIT issued, 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 until the DPIIT issues an updated circular.

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 foreign direct investment policy and transfer does not attract the provisions of the SEBI SAST 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.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, 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, as prescribed in the Consolidated FDI Policy and the FEMA 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. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

As per the FDI policy, the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 207 of this Prospectus. Each Applicant should seek independent legal advice about its ability to participate in the issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

**The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws of the United States. Accordingly, the Equity Shares are only being issued and sold only outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those issues and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations, seek independent legal advice about its ability to participate in the issue and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



## SECTION X – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### ARTICLES OF ASSOCIATION OF

#### GSM FOILS LIMITED\*

#### THE COMPANIES ACT, 2013 (Company Limited by Shares)

The following regulations comprised in these Articles of Association were adopted pursuant to the members' resolution passed at the Extra - Ordinary General Meeting held on July 14, 2023 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company.

#### 1. Constitution

The Regulations contained in Table F in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, The Regulations for management of the Company and for the observance of the members shall be such as are contained in these Articles. In case of any conflict between the provisions of these Articles and Table 'F', the provisions of these Articles shall prevail.

#### Interpretation

- i. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
  - ii. Words importing the singular number shall include where the context admits or requires the plural number and vice versa and words importing the masculine gender shall include feminine;
  - iii. References herein to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted from time to time and references to any document or agreement shall be deemed to include references to such document or agreement as amended, modified, supplemented or novated from time to time;
  - iv. The words "hereof", "herein" and "hereunder" and words of similar import when used in these Articles shall refer to these Articles as a whole and not to any particular provision of these Articles;
  - v. Article headings are for convenience only and shall not affect the construction of these Articles;
- 
- \*Substituted vide Special Resolution passed at members' Extra-Ordinary General Meeting held on July 14, 2023.
- vi. References to any Ministry or Department shall mean a Ministry or Department of the Government of the Republic of India, unless otherwise indicated;
  - vii. A reference to a Person includes a reference to its Permitted Transferees and assigns and to its successors;
  - viii. The words "include", "including" and "among other things" shall be deemed to be followed by "without limitation" or "but not limited to" whether or not they are followed by such phrases or words of like import;
  - ix. In the event of any inconsistency between an amount written in words and such amount stated in figures, the amount as written in words shall prevail.

Term	Meaning
Act	means the Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.
Affiliate	means with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under direct or indirect common control with, such Person, or is a director or officer of such Person or of any Person who would otherwise qualify as an Affiliate of such Person pursuant to this definition; provided that an Affiliate shall include any entity

<b>Term</b>	<b>Meaning</b>
	that, directly or indirectly (including through limited partner or general partner interests), owns more than 20% of voting equity or interest of such Person. For purposes of this definition, the term “control” when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.
Articles	shall mean the Articles of Association of the Company as amended, modified or supplemented from time to time.
Auditors	means and includes those persons appointed as such for the time being by the Company.
Business Day	shall mean a day (other than a Saturday or Sunday or a public holiday) on which banking institutions in the city of Mumbai are open for business.
Board of Directors	means a collective body of Directors.
Company	means GSM FOILS LIMITED
Directors	means the Directors for the time being of the Company.
Dividend	includes interim dividend.
Members	means members of the Company holding a share or shares of any class.
Capital	means the share capital for the time being of the Company.
Government	shall mean the Government of India, or any state or local government in India, or any political or statutory subdivision or authority thereof or therein or any other government or subdivision, instrumentality, agency or authority thereof having jurisdiction over any activity required to be undertaken by the Company or any Shareholder to perform its obligations under or in connection with these Articles.
Month	shall mean a calendar month.
Paid up capital	shall include credited as fully paid-up.
Special Resolution	means special resolution as defined in Section 114 of the Act.
The Register	means the registers to be kept as per the provisions of Companies Act, 2013.
Proxy	includes Attorney duly constituted under a Power of Attorney.
Seal	means common seal of the Company.
Fiscal year	shall begin on April 1 of each calendar year and terminate on March 31 of the next calendar year.
Subsidiary	shall mean, with respect to any Person, any entity of which more than 50% of the securities or ownership interest having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are owned directly or indirectly by such Person; and any other Person directly or indirectly controlled by the first mentioned Person. For purposes of this definition, the term “control” when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

#### *Share Capital*

2. The authorized share capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in the Memorandum of Association of the Company, with power to increase or reduce the capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights and privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may, for the time being, be provided by the regulations of the Company.

#### *Shares under Control of the Board*

3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 53 of the Companies Act, 2013) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the 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 Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

#### *Shares for Consideration other than Cash*

4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment in full or part for any property or assets of any kind whatsoever, sold or transferred, goods or machinery supplied or for any services rendered to the Company in conduct of its business and any shares which may be so allotted may be issued as fully paid up shares or partly fully paid up otherwise than for cash and if so issued, shall be deemed to be fully paid shares or partly paid shares, as the case maybe.

#### *Kinds of Share Capital*

5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable bye-laws:
  - i. Equity share capital: (i) with voting rights; and/or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
  - ii. Preference share capital.

#### *Issue of Share Certificates*

6. (i) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.  
  
(ii) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them  
  
(iii) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

#### *Limitation of time for issue of certificates*

7. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within fifteen days of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a 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 of Shares to one or several joint holders shall be a sufficient delivery to all such holder.  
  
(ii) Every certificate shall be under the seal and shall specify the number and distinctive number of the Shares to which it relates and the amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that 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 of shares to one or several joint holders shall be sufficient delivery to all such holders.
8. 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 dematerialized 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 shares to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

***Issue of New Certificate in place of one defaced, lost or destroyed***

9. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board of Directors. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.
10. The provisions of the foregoing Articles relating to issue of certificates apply *mutatis mutandis* to issue of certificates for any other securities including debentures of the Company.
11. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

***Power to Pay Commission in connection to the Securities issued***

12. The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
13. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under Act.
14. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

***Variation of the members' right***

15. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
  
(ii) To every such separate meeting, the provisions of these regulations relating general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
16. 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 share ranking *pari passu* therewith Subject to the provisions of section 55, any preference shares may, with the sanction of a special resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine

***Further issue of share capital***

16. Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-
  - (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely: —

- (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
  - (ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
  - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the company;
- (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.
  - (d) The notice referred to in sub-clause (a)(i) of Clause (1) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
  - (e) Nothing aforesaid shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

#### *Sweat Equity Shares*

- 17. Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.
- 18. Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special 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 or other securities 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 way of a special resolution.

#### *Lien*

- 19. (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 single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The Company's lien, if any, on a share shall extend to all dividend payable and bonuses declared from time to time in respect of such shares.

(iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;

#### *As to enforcing lien by Sale*

- 20. The Company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

#### ***Validity of Sale***

21. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The 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 maybe) constitute a good title to the share and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

#### ***Application of Proceeds of Sale***

22. 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. 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.

#### ***Outsiders Lien not to affect Company's Lien***

23. 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.
24. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

#### ***Right of Director to Refuse Sub Division***

25. (i) Notwithstanding anything contained elsewhere in these Articles, the Board may in their absolute discretion refuse sub-division of share certificates or debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law
- (ii) Notwithstanding anything contained elsewhere in these Articles, a certificate, if required, for a dematerialised share, debenture and other security shall be issued in the name of the Depository and all the provisions contained in these Articles in respect of the rights of a member/debenture holder of the Company shall *mutatis mutandis* apply to the Depository as if it were a member / debenture holder / security holder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialised share, debenture and other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all other rights available to the registered holders of the shares, debentures and other securities in the Company as set out in the other provisions of these Articles

#### ***Company entitled to dematerialise its shares, debentures and other securities***

26. (i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a register of members/ debenture-holders/ other security-holders with the details of members/ debenture-holders/ other security-holders holding shares, debentures or other securities both in materialised and dematerialised form in any media as permitted by the Act

(ii) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security

(iii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.

(iv) In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply. Provided that in respect of the shares and securities held by the Depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act, 1996, shall apply so far as applicable

(v) Every Depository shall furnish to the Company, information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.

(vi) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act, 1996.

#### *Calls/Installments on shares to be duly paid*

**27.** (i) 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.

(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.

(v) All calls shall be made on a uniform basis on all shares falling under the same class.

(vi) 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 payment of any such money shall preclude the forfeiture of such shares as herein provided.

(vii) The provisions of these Articles relating to calls on shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**28.** 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.

**29.** 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.

30. The joint holders of a share shall be jointly and severally liable for and in respect of all calls or installments and other payments which ought to be made in respect of such share.

***When Interest on Call Payable***

31. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

***Sums Deemed to be on Call***

32. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

***Payment on anticipation of call may carry Interest***

33. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and 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 as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends; or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him. That moneys paid up in advance of calls on any shares may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

***Transfer of shares***

34. 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 with details of Shares held in physical and dematerialized forms in any medium as may be permitted by law, including in any form of electronic medium. The Company shall be entitled to keep in any state or country outside India, a branch Register of Members resident in that state or country.
35. (i) The instrument of transfer of any Shares shall be in such form as may be prescribed under the Act and in writing and all the applicable provisions of the Act for the time being in force shall be duly complied with in respect of all transfers of shares and the registrations thereof.
- (ii) The instrument of transfer of any share in the company shall be duly stamped and executed by or on behalf of both the transferor and transferee. The instrument of transfer duly stamped and executed by the transferor or the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the Shares must be delivered to the Company. The transfer of the Shares shall be effected within one month from the date of the lodging the transfer with the Company.
36. The Board may decline to recognize any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.



37. Notwithstanding anything contained contrary in these Articles, the shareholders shall have full, absolute, unrestricted and unfettered right to transfer, pledge, create lien, charge, mortgage and otherwise encumber the shares of the Company in favour of the lenders or in favour of any person/s acting for the benefit of the lenders as security for the loans and such lenders or the person/s acting for the benefit of the lenders, as the case may be, shall have full, absolute, unrestricted and unfettered right to sell the shares so pledged, charged and/or under the security interest and/or transfer in their name, in the name of their nominees or in the name of third person, at their sole and absolute discretion in accordance with the terms of financing/ security/ debenture documents. The Company shall immediately give effect to such transfer of share and/ or sale of the shares and register the name of the lenders or the person acting for the benefit of the lender or transferee or the subsequent purchaser as shareholder.
38. Nothing contained contrary in these Articles shall apply to any transfer or sale of shares which are charged, pledged or under the security interest as security for the loans or the transfer, sale or appropriation of shares by the lenders or by any person/s acting for the benefit of the lenders and the Company/Director shall immediately without demur register the name of the lenders or the person acting for the benefit of the lenders or any such person to whom the lenders or the person acting for the benefit of the lenders have sold or transferred the shares pursuant to its right available in any of the financing and/or security documents or the subsequent transferee.
39. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

***Directors may refuse to register transfer***

40. Subject to the provisions of Section 58 & 59 of the Companies Act, 2013, these Articles and other applicable provisions of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within a period of thirty 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 the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

***Transmission of shares***

41. (i) On the death of any one or more of the joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
42. (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.

43. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be 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.

44. 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 applicable 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 complied with.

45. 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.
46. 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*

47. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
48. The notice aforesaid shall (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
49. 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
50. A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off to any person on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
51. 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. 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.
52. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
53. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

54. (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.
55. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the Shares shall (unless the same shall on demand by the Company have been previously surrendered to, by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the person entitled thereto.

#### *Alteration of capital*

57. The Company may, from time to time, by ordinary resolution increase the authorized share capital by such sum as it thinks expedient;

#### *Powers to alter Share Capital*

58. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

#### *Shares may be converted into Stocks*

59. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

### *Reduction of Share Capital*

- 60.** The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.
- 61.** 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 and attending (but not voting) at a 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 a general meeting by special resolution.

### *Capitalisation of profits*

- 62.** (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (a) Paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (d) a securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (e) the Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 63.** (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***

64. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

***Power to borrow***

65. Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
- (i) accept or renew deposits from Shareholders;
  - (ii) borrow money by way of issuance of Debentures;
  - (iii) borrow money otherwise than on Debentures;
  - (iv) accept deposits from Shareholders either in advance of calls or otherwise; and
  - (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the Power to borrow money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting. Provided further that the Board may delegate the power specified in (c) herein above (i.e. to borrow money otherwise than on debentures) to a committee constituted for the purpose.

***Securing payment or repayment of Moneys borrowed***

66. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or Company of any obligation undertaken by the Company or any person or Company as the case may be.

***Bonds, Debentures etc. to be under the control of the Directors***

67. Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

***Mortgage of uncalled Capital***

68. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

***Indemnity may be given***

69. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

***General meetings***

70. All general meetings other than annual general meeting shall be called extraordinary general meeting.

71. A general meeting of a Company may be called by giving not less than clear twenty-one days notice either in writing or through electronic mode in such manner as may be prescribed in the Act or rules made thereunder.
72. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

(iii) The Board of Directors shall call an extraordinary general meeting, upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as on that date carries the right of voting. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the registered office of the Company, provided that such requisition may consist of several documents in like form each signed by one or more requisitionists. Upon the receipt of any such requisition, the Board of Directors shall forthwith call an extraordinary general meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists may themselves call the meeting, within a period of three months from the date of the requisition. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

#### *Proceedings at general meetings*

73. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) The quorum for the general meetings shall be as provided in section 103 as amended from time to time.

74. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
75. 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.
76. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
77. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.

#### *Adjournment of meeting*

78. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

79. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which poll is demanded shall be entitled to a second or casting vote.

80. 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.

81. 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.
82. 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.
83. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
84. A member of the Company may participate in a General Meeting through the electronic mode, subject to compliance of section 110 of the Act and such other circulars as may be prescribed.

#### *Voting rights*

85. 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.
86. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
87.
  - (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.
  - (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders
88. 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.
89. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
90. 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.
91.
  - (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### *Proxy*

92. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
93. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

94. 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***

95. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 152 of the Act, the number of Directors (including Debentures and Alternate Directors) shall not be less than three or more than fifteen.

96. The First Directors of the Company are:

[1] SAGAR GIRISH BHANUSHALI  
[2] MOHANSING LAXMANSINGH PARMAR  
[3] YASODA KANWAR BHAGROT

97. The Board shall have the power to appoint/re-appoint from time to time any of its members as Chairman and Managing Director or Manager of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit. The appointment and terms and conditions, including remuneration of Managing Director or Manager or Whole-Time Director shall be in accordance with Section 197 and Schedule V of the Companies Act, 2013. The Managing Director or Manager or Whole-Time Director who are in whole-time employment in the Company shall be subject to supervision and control of the Board of Directors of the Company.

***Same individual may be Chairperson and Managing Director/ Chief Executive Officer***

98. 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 or Chief Financial Officer or Company Secretary of the Company.

***Nominee Directors***

99. (i) The Company may agree with any financial institution or any authority or person or State Government that in consideration of any loan or financial assistance of any kind whatsoever, which may be rendered by it to the Company, it shall till such time as the loan or financial assistance is outstanding have power to nominate one or more Directors on the Board of the Company and from time to time remove and reappoint such Directors and to fill in any vacancy caused by the death or resignation of such Directors otherwise ceasing to hold office. Such nominee Directors shall not be required to hold any qualification shares nor shall they be liable to retire by rotation.

(ii) The Director, including Alternate and Nominee Directors, if any, shall be entitled to sitting fees, for participating/attending Board Meeting or Meeting of Committee of Board of Directors, a sum not exceeding such sum as may be fixed by the Board of Directors, from time to time. However, the same shall not exceed the maximum sum as is permissible under the provisions of the Act or Guidelines issued by appropriate authority, from time to time.

***Directors not liable to retire by rotation***

100. Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

***Remuneration of the Directors***

101. (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them —

- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or



(b) in connection with the business of the company.

102. The fees payable to the Director for attending the meeting of the Board or committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.
103. The Board may pay all expenses incurred in getting up and registering the Company.
104. The Company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may think fit respecting the keeping of any such register.
105. 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.
106. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

#### ***Appointment of Additional Director***

107. (i) Subject to the provisions of section 149 and section 161, the Board shall have the power at any time, and from time to time, to appoint a person as an additional director, provided that the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.  
  
(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.  
  
(iii) The Board shall have the power, at any time, and from time to time, to appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) from India. An alternate director appointed under this Article shall not hold office as such for a period longer than that permissible to the director in whose place he has been appointed and shall vacate office if and when the original director returns to the State in which the meetings of the Board are ordinarily held.  
  
(iv) The Board shall appoint persons as directors being nominees of an institution in pursuance of an agreement with such institution in accordance with the provisions of sub-section (3) of Section 161 of the Act.  
  
(v) The Board shall have the power at any time, and from time to time, to appoint any other person to be a Director to fill a casual vacancy provided that the total number of directors shall not at any time exceed the maximum as fixed hereinafter. Any person appointed to fill a casual vacancy 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 as aforesaid.

#### ***General powers of the Company vested in the Board***

108. 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 statute 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 regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made

#### ***Proceedings of the Board***

109. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. A Director may, and the Manager or Secretary on the requisition of a director shall, at any time, summon a meeting of the Board.  
  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(iii) Subject to the provisions of the Act, the Board of Directors may convene their meeting/s via teleconference or video conference or vide any other Audio / Visual mode etc. Further, subject to applicable laws, a meeting may also be held with some Directors present in person and others by means of participating through video conference, teleconference or any other similar audio / visual means and the presence of one or more Directors by conference, teleconference or any other similar means at a meeting shall be included when determining quorum and voting. The provisions relating to notice, agenda, quorum and minutes stated herein shall mutatis mutandis apply to the meetings held through such audio-visual media.

(iv) The Company may maintain a book in respect of attendance of every director present at any meeting of the Board or of a committee thereof.

**110.** (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.

**111.** 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.

**112.** (i) The quorum for a meeting of the Board of Directors shall be one third of its total strength or two directors whichever is higher. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors it shall be adjourned until such date and time as the Directors present shall appoint.

(ii) With reference to Article 68(i) aforesaid, any Director attending meeting of Board of Directors or its committee via teleconference or video conference or vide any other Audio / Visual mode be considered as present in person for the purpose of calculating the quorum for the same.

**113.** (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

**114.** (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 regulations that may be imposed on it by the Board.

**115.** (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

**116.** (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.

**117.** 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.

**118.** Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

**119.** Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**120.** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

***Statutory Registers***

**121.** The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, 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 Seal***

**122.** (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

***Dividends and Reserve***

**123.** The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**124.** The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**125.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

126. 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.
127. Any dividend, interest or other monies payable in cash in respect of shares maybe 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. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
128. 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.
129. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
130. No dividend shall bear interest against the company.
131. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.

#### ***Unpaid or unclaimed dividend***

132. (i) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called unpaid dividend Account.  
  
(ii) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205 of the Companies Act, 1956.  
  
(iii) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;

#### ***Accounts***

133. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.  
  
(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### ***Winding up***

134. Subject to applicable law:  
  
(i) If the company shall be wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.  
  
(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be *divided* as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### ***Indemnity and Insurance***

**135.** (i) Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

(ii) Subject to the provisions of the Act, every Director, managing director, wholetime director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, company secretary and 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, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(iii) Subject as aforesaid, every Director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by a court or such authority

(iv) 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***

**136.** Wherever in the Act or the Rules, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

#### ***Secrecy Clause***

**137.** Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.

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## 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 this Draft Prospectus) which are or may be deemed material will be attached to the copy of the 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 Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday) from the date of the Draft Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

#### MATERIAL CONTRACTS

1. Issue Agreement dated March 23, 2024 between our Company and the Lead Manager.
2. Registrar Agreement dated March 23, 2024 between our Company and the Registrar to the Issue.
3. Market Making Agreement dated March 23, 2024 between our Company, the Lead Manager and Market Maker.
4. Underwriting Agreement dated March 23, 2024 between our Company, the Lead Manager and the Underwriter.
5. Banker(s) to the Issue Agreement dated [●] between our Company, the Lead Manager, Banker(s) to the Issue Agreement and the Registrar to the Issue.
6. Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated January 05, 2024.
7. Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated January 05, 2024.

#### MATERIAL DOCUMENTS

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation dated June 27, 2023 issued under the name GSM Foils Private Limited.
3. Copy of Fresh Certificate of Incorporation dated September 04, 2023 issued by Registrar of Companies, Mumbai consequent to name change from GSM Foils Private Limited to GSM Foils Limited pursuant to the conversion of our Company into a Public Limited Company.
4. Resolution of the Board of Directors dated March 06, 2024 in relation to the Issue.
5. Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held on March 07, 2024 in relation to the Issue.
6. Peer Reviewed Auditor's report for Restated Financial Statements dated March 22, 2024 included in this Draft Prospectus.
7. The Statement of Possible Tax Benefits dated March 22, 2024 from Peer Reviewed Auditors included in this Draft Prospectus.
8. Copies of Audited Financial Statements of the Company for the period ended December 31, 2023 and June 26, 2023 and for the financial years March 31, 2023, 2022 and 2021.
9. Consents of our Directors, Promoter Company Secretary and Compliance Officer, Chief Financial Officer, Senior Management, Peer Review Auditor, Statutory Auditor, Banker(s) to the Company, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Underwriter and Market Maker to act in their respective capacities.

10. Certificate on KPI's issued by our Peer Reviewed Auditor Namely M/S. A Y & CO., Chartered Accountants dated March 22, 2024.
11. Due Diligence Certificate dated [●] to SEBI by the Lead Manager.
12. Approval from NSE vide letter dated [●] to use the name of NSE in this Issue Document for listing of Equity Shares on the NSE Emerge.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as Amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- <b>Mr. Sagar Girish Bhanushali</b> Chairman and Whole Time Director <b>DIN: 09126902</b>	Sd/- <b>Mr. Mohansingh L Parmar</b> Managing Director <b>DIN: 08413828</b>
Sd/- <b>Mr. Mahesh Virchand Mehta</b> Non-Executive Independent Director <b>DIN: 09325268</b>	Sd/- <b>Mr. Vijay V Pandya</b> Non-Executive Independent Director <b>DIN: 10420959</b>
Sd/- <b>Ms. Swati Dhaval Mirani</b> Non-Executive Independent Director <b>DIN: 10449509</b>	

### SIGNED BY THE CFO AND CS OF OUR COMPANY

Sd/- <b>Mr. Sagar Girish Bhanushali</b> Chief Financial Officer	Sd/- <b>Mr. Pratik M Makwana</b> Company Secretary and Compliance Officer
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**Date:** March 28, 2024

**Place:** Thane