





Draft Prospectus  
Dated: September 29, 2022  
Please read section 26 and 32 of the Companies Act, 2013  
Fixed Price Issue



**HARU WORLDWIDE LIMITED**  
CIN: U51909GJ2016PLC085610  
Incorporated on January 05, 2016 at Ahmedabad

REGISTER OFFICE		CONTACT PERSON	
Office No. 308, Third Floor, Sukun Business Centre, Nr. Fairdeal House, Swastik Cross Road, C. G. Road, Ahmedabad – 380009, Gujarat, India.		Mrs. Krishna Naik Company Secretary and Compliance Officer	
EMAIL	TELEPHONE NO.	WEBSITE	
<a href="mailto:investors@haruworldwide.com">investors@haruworldwide.com</a>	Tel No.: +91 74350 00820	<a href="http://www.haruworldwide.com">www.haruworldwide.com</a>	
OUR PROMOTERS OF THE COMPANY			
Mr. Anil Runthala and Mrs. Harsha Sharma			
Type	Fresh Issue Size (₹In Lakhs)	Eligibility 229(1) / 229(2) & Share Reservation among NII & RII	
Fresh Issue	₹ 3010.50 Lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI (ICDR) Regulations. As the Company's post issue paidup capital is more than ₹10.00 Crores and upto ₹25.00 Crore	
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 shares is ₹10.00 per equity shares and the issue price is 4.5 times of the face value. The issue price (is determined by our company in consultation with the lead manager) as stated in the chapter titled on "Basis for Issue Price" beginning on page no. 55 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 of our company nor regarding the price at which the equity shares will be traded after listing.			
GENERAL RISKS			
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no.17 of this Draft Prospectus.			
ISSUER'S ABSOLUTE RESPONSIBILITY			
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.			
LISTING			
The Equity Shares offered through the Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE SME"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In Principal Approval Letter dated [●] from BSE Limited (BSE) for using its name in this offer document for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").			
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
	<b>INTERACTIVE FINANCIAL SERVICES LIMITED</b> Address: 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad – 380 009, Gujarat, India Tel No.: 079 46019796 (M) +91-9898055647 Web Site: <a href="http://www.ifinservices.in">www.ifinservices.in</a> Email: <a href="mailto:mbd@ifinservices.in">mbd@ifinservices.in</a> Investor Grievance Email: <a href="mailto:info@ifinservices.in">info@ifinservices.in</a> Contact Person: Mr. Pradip Sandhir SEBI Reg. No.: INM000012856		<b>BIGSHARE SERVICES PRIVATE LIMITED</b> Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093 Tel No.: +91 22-62638200 Fax No.: +91 22-62638299 Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> E-Mail: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Investor Grievance Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Contact Person: Mr. Aniket Chindarkar SEBI Reg. No.: INR000001385
ISSUE PROGRAMME			
ISSUE OPENS ON: [●]		ISSUE CLOSES ON: [●]	



**HARU WORLDWIDE LIMITED**  
 CIN: U51909GJ2016PLC085610

Our Company was originally incorporated as 'BRR Udhog Private Limited' as Private Limited Company under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated January 05, 2016 bearing Corporate Identification Number U51909GJ2016PTC085610 issued by the Deputy Registrar of Companies, Gujarat. The name of the Company was changed to "Haru Worldwide Private Limited" and a fresh certificate of Incorporation was issued on June 02, 2022 by the Registrar of Companies, Ahmedabad. Subsequently, our Company was converted in to a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on July 08, 2022 and consequently the name of our company was changed to "Haru Worldwide Limited" and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated July 25, 2022. For further details, please refer the chapter titled "History and Certain Corporate Matters" beginning on page no. 83 of this Draft Prospectus. The CIN of the Company is U51909GJ2016PLC085610.

**Registered office:** Office No. 308, Third Floor, Sukun Business Centre, Nr. Fairdeal House, Swastik Cross Road, C. G. Road, Ahmedabad-380009, Gujarat, India.  
**Tel No.:** +91 74350 00820; **Website:** [www.haruworlwide.com](http://www.haruworlwide.com); **E-Mail:** [investors@haruworlwide.com](mailto:investors@haruworlwide.com)  
**Contact Person:** Mrs. Krishna Naik, Company Secretary and Compliance Officer

**PROMOTER OF THE COMPANY: MR. ANIL RUNTHALA AND MRS. HARSHA SHARMA**

**THE ISSUE**

**INITIAL PUBLIC ISSUE OF 66,90,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF HARU WORLDWIDE LIMITED ("HWL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹45/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹35/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹3010.50LACS ("THE ISSUE"), OF WHICH 3,36,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH WILL FOR CASH AT A PRICE OF ₹ 45/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹35/- PER EQUITY SHARE AGGREGATING TO ₹151.20LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 63,54,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹45/- PER EQUITY SHARE AGGREGATING TO ₹2859.30LACS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.84 % AND 29.29% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO. 152 OF THIS DRAFT PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 4.5TIMES OF THE FACE VALUE**

This issue is being made through Fixed Price Process in terms of Chapter IX of the Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations") and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI ICDR Regulations. In terms of the Regulation 19(2)(B)(I) of the Securities Contracts (Regulations) Rules, 1957, as amended (the "SCRR"), the issue is being made for at least 25% of the post-paid up Share capital of our Company. All the bidders, shall participate in the issue through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account (including UPIID for RIIs using UPI Mechanism) wherein the bid amount will be blocked by the SCSBs or under the UPI mechanism, as the case may be, to the extent of respective Bid amounts. For details Please refer to chapter titled "Issue Procedure" beginning on Page 161 of this Draft Prospectus.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account and UPI ID in case of RIIs, if applicable, in which the application amount shall be blocked by the Self-Certified Syndicate Banks ("SCSBs") or under UPI Mechanism as the case may be. For details in this regard, specific attention is invited to chapter titled "Issue Procedure" on page 161 of this Draft Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹10/- per Equity Shares and the Issue price is 4.5 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on "Basis for Issue Price" beginning on page no. 55 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 of our Company nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. 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 offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no.17 of this Draft Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

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

**LEAD MANAGER**



**INTERACTIVE FINANCIAL SERVICES LIMITED**  
**Address:** 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad – 380 009, Gujarat, India  
**Tel No.:** 079 46019796  
**(M) +91-9898055647**  
**Web Site :** [www.ifnservices.in](http://www.ifnservices.in)  
**Email :** [mbd@ifnservices.in](mailto:mbd@ifnservices.in)  
**Investor Grievance Email:** [info@ifnservices.in](mailto:info@ifnservices.in)  
**Contact Person:** Mr. Pradip Sandhir  
**SEBI Reg. No.:** INM000012856

**REGISTRAR TO THE ISSUE**



**BIGSHARE SERVICES PRIVATE LIMITED**  
**Address:** Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093  
**Tel No.:** +91 22-62638200  
**Fax No** +91 22-62638299  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**E-Mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Mr. Aniket Chindarkar  
**SEBI Reg. 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 the meaning ascribed to such terms under SEBI ICDR Regulations, 2018 the Companies Act, 2013 the SCRA, the Depositories Act, 1996 and the rules and regulations made there under.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “Statement of Tax Benefits”, “Restated Financial Statements”, “Outstanding Litigation and Material Developments” and section titled “Main Provisions of Articles of Association” beginning on page nos. 58, 102, 134 and 190 respectively, shall have the meanings ascribed to such terms in the respective sections.

### GENERAL TERMS

Term	Description
“HWL”, “Haru Worldwide”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Haru Worldwide Limited, a public limited company incorporated under the Companies Act, 2013 and having Registered office at Office No. 308, Third Floor, Sukun Business Centre Nr. Fairdeal House, Swastik Cross Road, C. G. Road, Ahmedabad-380009, Gujarat, India.
Promoters	Mr. Anilkumar Runthala, Mrs. Harsha Sharma
Promoter Group	Companies, individuals and entities (other than companies) as defined under Regulation 2 sub-regulation (pp) of the SEBI ICDR Regulations, 2018.
“you”, “your” or “yours”	Prospective Investors in this Issue

### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company as amended from time to time
Auditors of the Company	The Statutory auditors of our Company, being M/s. B. K. Chavda & Co., Chartered Accountants.
Audit Committee	Audit Committee of our Company constituted in accordance Section 177 of the Companies Act, 2013 and as described in the chapter titled “Our Management” beginning on page 87 of this Draft Prospectus.
Board of Directors / Board	The Board of Directors of our Company or a committee constituted thereof
Company Secretary and Compliance Officer	Company secretary and Compliance officer of our Company being Mrs. Krishna Naik appointed in accordance with the requirements of the SEBI ICDR Regulations.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr. Rakesh Dutta
Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
CIN	Corporate Identification Number
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Haru Worldwide Limited unless otherwise specified
Equity Shares	Equity Shares of our Company having Face Value of ₹10 each unless otherwise specified in the context thereof
Equity Shareholders / Shareholders	Persons /entities holding Equity Shares of our Company

ED	Executive Director
Fresh Issue	The fresh issue of 66,90,000 Equity Shares at a price of Rs.45 per equity share aggregating to Rs. 3010.50 lakhs to be issued by our Company as part of the Offer, in terms of the Draft Prospectus.
Group Companies	Companies (other than our Corporate Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “Financial Information of Our Group Companies” on page 142 of this Draft Prospectus
Independent Director	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled “Our Management” beginning on page 87 of this Draft Prospectus
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number is INE0N9H01019
IT	Information Technology
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page no. 87 of this Draft Prospectus
MD	Managing Director
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of our Board described in the chapter titled “Our Management” on page 87 of this Draft Prospectus.
Registered Office	The Registered office of our Company, located at Office No. 308, Third Floor, Sukun Business Centre Nr. Fairdeal House, Swastik Cross Road, C. G. Road Ahmedabad, Gujarat-380009, India
ROC / Registrar of Companies	Registrar of Companies, Ahmedabad.
Restated Financial Statements	The restated audited financial statements of our Company for the Financial Years ended March 31, 2020, 2021 and 2022 which comprises of the restated audited balance sheet, restated audited statement of profit and loss and the restated audited cash flow statement, together with the annexures and notes thereto disclosed in chapter titled “Restated Financial Statements” on page 102 of this Draft Prospectus.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s Bhagat & Co., Chartered Accountants
PLC	Public Limited Company
PTC	Private Limited Company
Stakeholders ‘Relationship Committee	The Stakeholders Relationship Committee of the Board of Directors constituted as the Company’s Stakeholders ‘Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “Our Management” on page 87 of this Draft Prospectus.
WTD	Whole Time Director

## ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of the Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our

	Company
Application Lot	3,000 Equity Shares and in multiples thereof
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Draft Prospectus / Prospectus
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allot / Allotment / Allotted / Allotment of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allottee(s)	The successful applicant to whom the Equity Shares are being / have been issued
Allotment Advice	Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section "Issue Procedure - Basis of allotment" on page no. 184 of this Draft Prospectus
Bankers to our Company	[•]
Banker to the Issue / Refund Banker / Public Issue Bank	ICICI Bank Limited
Business Day	Any day on which commercial banks are open for the business
CAN /Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number of the Applicant 's Beneficiary Account
Collection Centres	Broker Centres notified by Stock Exchange where bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable).
Depositories	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA

	Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Draft Prospectus, following which the Board may Allot Equity Shares to successful Bidders in the Issue
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue
Designated Market Maker	Beeline Broking Limited 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 applicant can submit the ASBA 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 i.e., <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the applicant, as list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Designated Stock Exchange	SME Platform of BSE Limited (BSE SME)
Draft Prospectus	This Draft Prospectus dated September 29, 2022 filled with the SME Platform of BSE, prepared and issued by our Company in accordance with SEBI ICDR Regulations
Eligible NRI	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 Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Draft Prospectus /Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount
Escrow Agreement	An agreement to be entered among our Company the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s) and the Lead Manager for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof.
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being ICICI Bank Limited.
First Applicant	Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, notified by SEBI, suitably modified and included in the chapter titled "Issue Procedure" on page 161 of this Draft Prospectus
Issue Agreement	The agreement dated September 28, 2022 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Opening Date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective bidders can submit their Application Forms, 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 bidders.
IPO	Initial Public Offering

Issue / Issue Size / Public Issue	The Public Issue of 66,90,000 Equity Shares of Face Value of ₹ 10 each at ₹45 (including premium of ₹35) per Equity Share aggregating to ₹ 3010.50 Lacs by Haru Worldwide Limited.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹45
Issue Proceeds	The proceeds from the Issue based on the total number of equity shares allotted under the issue
LM / Lead Manager	Lead Manager to the Issue, in this case being Interactive Financial Services Limited
Listing Agreement	The Listing Agreement to be signed between our Company and SME Platform of BSE Limited (BSE SME)
Market Making Agreement	The Market Making Agreement dated September 28, 2022 between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion of 3,36,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at a price of ₹45.00/- per Equity Share including a share premium of ₹ 35/- per Equity Share aggregating to ₹ 151.20 Lakhs for the Market Maker in this Issue
MSME	Micro Small and Medium Enterprises
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
NBFC	Non- Banking Financial Companies
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 63,54,000 Equity Shares of ₹ 10 each at ₹45 per Equity Share aggregating to ₹ 2859.30 Lacs by Haru Worldwide Limited.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to chapter titled "Objects of the Issue" on page 49 of this Draft Prospectus
Non-Institutional Bidders / Non-Institutional Investor /NIB/ NII	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, 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 may require.
Prospectus	The Prospectus dated [•] issued in accordance with Companies Act filed with the SME Platform of BSE Limited (BSE SME) under SEBI (ICDR)Regulations 2018.
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors.
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of BSE Limited having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Registrar Agreement	The agreement dated September 28, 2022 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI



Registrar / Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs 2,00,000.
Revision Form	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date
R & D	Research and Development
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a> Intermediaries.
SME Platform of BSE	The SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations.
Sponsor Bank	A Banker to the Offer which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being ICICI Bank Limited.
Syndicate Member	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter.
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI.
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the RIB 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
Underwriters	Underwriter to the issue are Interactive Financial Services Limited.
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated September 28, 2022.
U.S Securities Act	U.S Securities Act of 1933, as amended
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in the Prospectus are open for business. 1. However, in respect of announcement of price band and Bid/ Offer period, working day

	<p>shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Prospectus are open for business.</p> <p>2. In respect to the time period between the Bid/ Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI.</p>
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#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
CMS	Content Management System
CMF	Content Management Framework
DC	Dry Clean
EPCs	Exports Promotion Councils
GIGW	Guidelines for Indian Government Website
GIDC	Gujarat Industrial Development Corporation
GDP	Gross domestic product
ICT	Information and Communication Technology
IPC	Indian Penal Code
IMF	International Monetary Fund
Kg/cm <sup>2</sup>	Kilogram per Square Centimetre
MMF	Manmade Fibers
NIC	National Industrial Classification
NTC	National Textile Corporation Limited
PLI	Production-Linked Incentive
PT	Per Tonne
PIS	Portfolio Investment Scheme
PMI	Purchasing Managers' Index
T&A	Textile and Apparel
TPM/tpm	Tonnes per Month
TPH	Tonnes per hour
TPD	Tonnes per Day
TUFS	Technology Upgradation Fund Scheme
WPI	Wholesale Price Index
QA	Quality Assurance
QC	Quality Control
QMS	Quality Management System
RMG	Readymade Garments
RoSCTL	Rebate of State and Central Taxes and Levies
RoDTEP	Remission of Duties and Taxes on Exported Products

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AO	Assessing Officer
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year

Bn	Billion
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CARO	Companies (Auditor 's Report) Order, 2016, as amended
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CRPC	The Code of Criminal Procedure, 1973
CPC	Code of Civil Procedure, 1908
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director's Identification Number
DP/Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's Identification Number
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/Government/GOI	Government of India
GST Act	The Central Goods and Services Tax Act, 2017
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standard
IEC	Import Export Code
ICAI	Institute of Chartered Accountants of India

I.T. Act	Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
Rs, Rupees or INR	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offering
KMP	Key Managerial Personnel
Ltd.	Limited
LM	Lead Manager
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Minister of Finance, Government of India
MOU	Memorandum of Understanding
MSMEs	Micro, Small & Medium Enterprises
Mn	Million
NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
OCI	Overseas Citizen of India
P.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
RBI	Reserve Bank of India
R & D	Research and Development
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RONW	Return on Net Worth
ROCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SAT	Security Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.

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

## FORWARD LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in this Draft Prospectus that are not statements of historical facts constitute ‘forward-looking statements’. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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

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

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages nos. 17, 67 and 125 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual 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. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes 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. None of our Company, the Directors, the LM, or 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. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references to “India” contained in this Draft Prospectus are the Republic of India.

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

### **Financial Data**

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements for the year ended March 31, 2022, 2021 and 2020 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in this Draft Prospectus, and set out in the section titled ‘Restated Financial Information beginning on page no. 102 of this draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In this Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which 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. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled ‘Risk Factors’, ‘Business Overview’ and ‘Management's Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page nos.17, 67 and 125 respectively of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### **Industry and Market Data**

Unless stated otherwise, industry data used throughout this Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry 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 are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified.

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 no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

### **Currency and units of presentation**

In this Draft Prospectus, unless the context otherwise requires, all references to;

- ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ 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 lacs and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’

## SUMMARY OF ISSUE DOCUMENT

### SUMMARY OF BUSINESS

Our Company is engaged in the business of trading printed fabrics, kaftan and Voil which we process through established job work arrangements and trading of Agriculture products. The Company policy was to make the quality product and deliver the product on time. Initially the Company was buying the grey fabrics from the Triupur and hand over to the printers in the Jetpur to get it printed as per our design and requirements. However the Grey fabrics purchased from various suppliers are hand over to printers for the printing work and any report regarding shrinkage and less weight in the grey fabrics create dispute between the suppliers. In order to avoid such problems and for smooth running, the Company had decided to get the printed finished fabrics from the Job Workers after supplying grey fabric from triupur. The Grey fabric supplier send the grey fabric to the printer on our behalf and payment was made by us. The designs are supplied by the Company after getting feedback from the market regarding the current trend and future demand of particular designs to the printer. The grey fabric which company is purchasing is above 140 to 190 GSM.

For more details, please refer chapter titled “Business Overview” on page 67 of this Draft Prospectus.

### SUMMARY OF INDUSTRY

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

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 GDP is expected to grow at a strong rate of 7.4% in FY2022–23, the highest among major nations, according to International Monetary Fund (IMF). The IMF's prediction is supported by the strong performance of a few high-frequency indicators over the first four months of FY 2022–23. While the PMI manufacturing index reached an eight-month high in July 2022 with significant increases in the growth of new businesses and output, the index of industrial production and its eight core industries indicate a strengthening of industrial activity. The release of suppressed demand, the ease of mobility restrictions, and nearly universal vaccine coverage have helped the services sector, which was most negatively affected by the COVID-19 pandemic, become a significant growth engine.

For more details, please refer chapter titled “Industry Overview” on page 61 of this Draft Prospectus.

### PROMOTERS

The Promoters of our Company are Mr. Anilkumar Runthala, Mrs. Harsha Sharma.

For detailed information please refer chapter titled, “Our Promoters and Promoter Group” on page number 98 of this Draft Prospectus.

### ISSUE SIZE

Initial public issue of 66,90,000 equity shares of face value of ₹10/- each of haru worldwide limited (“HWL” or the “Company” or the “Issuer”) for cash at a price of ₹45/- per equity share including a share premium of ₹35/- per equity share (the “issue price”) aggregating to ₹3010.50lacs (“The Issue”), of which 3,36,000 equity shares of face value of ₹10/- each will for cash at a price of ₹45/- per equity share including a share premium of ₹35/- per equity share aggregating to ₹151.20 lacs will be reserved for subscription by market maker to the issue (the “Market Maker Reservation Portion”). The issue less the market maker reservation portion i.e. Net issue of 63,54,000 equity shares of face value of ₹10/- each at a price of ₹45/- per equity share aggregating to ₹2859.30 lacs is herein after referred to as the “net issue”. The issue and the net issue will constitute 30.84% and 29.29% respectively of



the post issue paid up equity share capital of our company. For further details, please refer to section titled "Terms of the Issue" beginning on page no. 152 of this Draft Prospectus.

## OBJECTS OF THE ISSUE

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

### Net Proceeds

The details of the proceeds of the issue are summarized in the table below:

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Gross proceeds from the issue	3010.50
2.	Less: Issue related expenses	60.00
<b>Net proceeds of the issue</b>		<b>2950.50</b>

### Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount ₹ In lakhs)
1.	Working capital requirement	2250.50
2.	General corporate purposes	700.00
<b>Total utilization of net proceeds</b>		<b>2950.50</b>

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

Sr. No	Name of share holder	Pre-issue		Post Issue	
		No of equity shares	As a % of Issued Capital	No of equity shares	As a % of Issued Capital
<b>(i) Promoters</b>					
1.	Harsha Sharma	7350000	49	7350000	33.89
2.	Anil Runthala	5400000	36	5400000	24.90
	<b>TOTAL (A)</b>	<b>12750000</b>	<b>85</b>	<b>12750000</b>	<b>58.79</b>
<b>(ii) Promoter Group</b>					
3.	Pradeep Sharma	450000	3	450000	2.07
4.	Niramaladevi Sharma	450000	3	450000	2.07
	<b>TOTAL (B)</b>	<b>900000</b>	<b>6</b>	<b>900000</b>	<b>4.15</b>
<b>(iii) Public</b>					
5.	Ruchita Sharma	450000	3	450000	2.07
6.	Piyush Sharma	450000	3	450000	2.07
7.	Kiran Sharma	450000	3	450000	2.07
	<b>IPO</b>			<b>6690000</b>	<b>30.84</b>
	<b>TOTAL (C)</b>	<b>1350000</b>	<b>9</b>	<b>8040000</b>	<b>37.06</b>
	<b>TOTAL (A+B+C)</b>	<b>15000000</b>	<b>100.00</b>	<b>21690000</b>	<b>100.00</b>

## SUMMARY OF FINANCIAL INFORMATION

Particulars	For the year ended on March 31, 2022	For the Year ended on March 31, 2021	For the Year ended on March 31, 2020
Share Capital (₹ in Lakhs)	500.00	400.00	400.00
Net worth (₹ in Lakhs)	1,985.00	1,234.34	1,193.00
Revenue (₹ in Lakhs)	27,184.09	10,632.11	10,023.08
Profit after Tax (₹ in Lakhs)	250.66	41.34	71.63
Earnings per share (Basic & diluted) (₹)	1.71	0.30	0.51

Net Asset Value per Equity Share (Basic & diluted) (₹)	13.55	8.82	8.52
Total borrowings (₹ in Lakhs)	3149.38	2074.91	433.43

### QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company is provided below:  
(₹ in Lacs)

Nature of Cases	Number of Cases	Total Amount Involved
A. Litigation against the Company	5	347.15
B. Litigation by Company	-	-
C. Litigation against Promoters and Directors of the Company	7	2259.50
D. Litigation by Promoters and Directors of the Company	-	-
E. Litigation against Group Company	-	-
F. Litigation by Group Company	-	-

For further details, please refer chapter titled “Outstanding Litigations & Material Developments” beginning on page 134 of this Draft Prospectus.

### RISK FACTORS

For details relating to risk factors, please refer section titled “Risk Factors” on page 17 of this Draft Prospectus.

### SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on the date of filing this Draft Prospectus there is no contingent liability on the Company.

### SUMMARY OF RELATED PARTY TRANSACTIONS

#### List of Relatives

1. Harsha Sharma
2. Anilkumar Runthala

#### List of concerns in which directors are interested

1. BRR Enterprise Private Limited
2. Vedlu Worldwide Private Limited
3. Maxrun Overseas LLP

Particulars	Relation	(₹In Lacs )		
		For the year ended on March 31,2022	For the year ended on March 31,2021	For the year ended on March 31,2020
<b>Remuneration</b>				
Harsha Sharma	Director	6.00	-	-
Anilkumar Runthala	Director	6.00	-	-
<b>Unsecured Loan</b>				
<b>Anilkumar Runthalab</b>	Director			
OP. Balance		-	-	-
Accepted During the Year		284.69	-	-
Paid during the Year		194.72	-	-
Closing Balance		89.97	-	-

<b>Harsha Sharma</b>	Director			
OP. Balance		6.34	-	-
Accepted During the Year		319.84	48.10	-
Paid during the Year		326.18	41.76	-
Closing Balance		-	6.34	-
<b>BRR Enterprise Private Limited</b>	Company in which director are Interested			
OP. Balance		116.09	-	-
Accepted During the Year		51.09	-	-
Paid during the Year		649.90	-	-
Closing Balance		482.72	-	-

For detailed information on the related party transaction executed by our Company, please refer chapter titled “Restated Financial Statement” beginning on page 102 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 AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

The promoters have not acquired any Equity Shares in the last one (1) year preceding the date of this Draft Prospectus other than stated below:

Sr. No	Name of Promoter	No of Equity Shares acquired in the last one year from the date of this Draft Prospectus	Weighted Average Cost of Acquisition (in Rs)
1.	Anil Runthala	36,00,000	0
2.	Harsha Sharma	49,00,000	0

### AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Prospectus is:

Name	Average Cost of Acquisition per Equity Share (in ₹)
Anil Runthala	14.44
Harsha Sharma	5.78

### DETAILS OF PRE-ISSUE 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 YEAR

Except as set out Below, our Company has not issued Equity Shares for consideration other than cash.

Date of Allotment	No. of Shares Allotted	Face Value	Type of Issue
July 20, 2022	1,00,00,000	10	Bonus Issue

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

Our Company has not undertaken a split or consolidation of the Equity Shares in last one year.

## SECTION II – RISK FACTORS

*Investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below and the Financial Statements incorporated in this Draft Prospectus, before making an investment in the Equity Shares of our Company. Any potential investor in, and subscribers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 67 and 125, respectively of this Draft Prospectus, as well as the other financial and statistical information contained in this Draft Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.*

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

- *Some risks may not be material at present but may have a material impact in the near future.*
- *Some risks may not be material individually but may be found material when considered collectively*
- *Some risks may have material impact qualitatively and not quantitatively and vice-versa*

*We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of, or deem immaterial or irrelevant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares and may also have an adverse effect on our business. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*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. For further details, please refer to chapter titled “Forward-Looking Statements” beginning on page 11 of this Draft Prospectus.*

*Unless otherwise indicated, all financial information included herein are based on our Financial Statements. Please refer to the section titled “Restated Financial Statements” beginning on page 102 of this Draft Prospectus.*

### **INTERNAL RISK FACTORS:**

#### **1. We do not own registered office and from which we operate.**

Our Registered Office is located at 308, 3rd floor, Shukan Business Center, nr. Fairdeal House, Swatik Cross Road, C.G. Road, Ahmedabad, Gujarat-380009. The registered office is not owned by us. Our company has taken premises on monthly Rs.5,000/- rental basis and has entered into rent agreement with BRR Enterprise Private Limited, our Group Company. The premises have been taken by us on lease for a period of 11 Months w.e.f. January 01,2022 subject auto renewal with the mutual consent of the parties.

There can be no assurance that the term of the agreements will be renewed and in the event the lessor/licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we may require to vacate the registered office and identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

2. *There are certain outstanding legal processing involving our Company, Promoters and Director. Any failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition, result of ongoing operations and reputation.*

There are outstanding litigations filed against and by our Company. The details of this legal proceeding are given below in the following table:

(₹ in lacs)			
Particular	Nature of cases	No of outstanding cases	Amount involved
Litigations against our Company	Criminal cases under section 138 of Negotiable Instrument Act,1881	1	30.23
	Taxation Matter	4	316.92
Litigations against our Promoters and Directors	Criminal cases under section 138 of Negotiable Instrument Act,1881	3	60.39
	Commercial Arbitration Petition	1	805.94
	Original Application in The DEBTS RECOVERY TRIBUNAL-1	1	1383.10
	Taxation Matter	2	10.07

The litigation which involve Company and directors are mentioned at only one place and as the promoters are the directors of the Company, the cases are mentioned under the heading litigation against the directors. For further details regarding outstanding litigations by and against company please refer the chapter "Outstanding Litigations and Material Development" on page no. 134 of this Draft Prospectus.

3. *Our promoter director Anil Runthla had defaulted in the repayment of loan of TJSB Sahkari Bank Limited*

B.R. Udhyog, proprietary firm of Anil Runthala (BRU) had availed various Bank facilities i.e. Working Capital Limit amounting to Rs. 900.00 Lacs and also got the Bill Discounting facility of Rs.400.00 Lacs, making total sanctioned limit of Rs.1300.00 Lacs and executed necessary documents BRU had committed the default and the account was classified as NPA on March 31,2019. On May 31, 2019 the bank had issued notice to BRU and others under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Act, 2002 demanding the payment of Rs. 13,28,55,759.97. The Bank has filed Original Application No.177 of 2020 in The DEBTS RECOVERY TRIBUNAL-1 at Ahmedabad for recovery of Rs.13,83,09,897.85 plus 12.25% p.a. with monthly rests from 01.06.2020 till the date of realization of recovery of the amount of various facilities sanctioned against BRU and others .

4. *Our Restated Financial Statements are Prepared and Signed by the Peer Review Chartered Accountants who is not Statutory Auditors of our Company as required under the provisions of ICDR.*

Our Restated Financial Statements are prepared and signed by M/s. Bhagat & Co, the Peer Review Chartered Accountants who is not the Statutory Auditor of the company. As per the requirements of clause no. (11)(A)(e) of Schedule VI of SEBI (ICDR), 2018, the last Audited Balance sheet of March 31, 2022 was Re-audited by the Peer Review Auditor. The Company will appoint the Chartered Accountant holding Peer Review Certificate as Statutory Auditor in the General Meeting of the Company.

5. *The Company had transferred shares between the shareholders of the Company. The documents for the transfer of shares are not properly executed and without transfer stamps*

Our promoter Mr. Anil Runthala had transferred certain shares to the persons other than promoters and similarly non- promoters had also transferred to the promoters. The documents for the transfer of shares are not properly executed and without the transfer stamps.

6. *We have to update the name of our company in some of the statutory approvals and certificates due to the Chang in the name and conversion of our Company in to Public Limited Company.*

Some of our statutory approvals and certificates are in the name of BRR Udhyog Private Limited. Since the name of our company was changed to Haru Worldwide Private Limited and a fresh certificate of incorporation was issued by Registrar of Companies, Ahmedabad on June 02, 2022. After that, our Company was converted from Private limited to Public Limited pursuant to a special resolution passed by our

shareholders at the EGM held on July 08, 2022 and consequently the name of our Company was changed as "Haru Worldwide Limited" we have to update the name Haru Worlwide Limited on the statutory approvals and certificates. We cannot ensure that we will be able to update the said documents in a timely manner.

For more information about the licenses required in our business, please refer section "Government and other statutory approvals" beginning on page 140 of this Draft Prospectus.

**7. Our financing agreements with bank require prior consent of our lender for undertaking a number of corporate actions, including the Issue, and such consent has not been obtained as on date of this Draft Prospectus.**

Under some of our financing agreements, we are required to obtain prior written consents from the lender to Change Management / Capital Structure, formulate any scheme of Merger / Acquisition / amalgamation/ reconstitution, create any further charge, lien, encumbrances over the asset charged to the bank in favor of any other bank, financial institution, NBFC, Firm, Company or person or otherwise dispose off any of the fixed assets. For further details, please refer to the chapter titled, "Financial Indebtedness", beginning on page 130 of the Draft Prospectus.

As on the date of this Draft Prospectus, we have applied for such consents for the Issue from our lender and have yet to receive consent from State Bank of India. Our company intends to obtain the necessary consent in relation to the Issue from such lender prior to the filing of the Prospectus with the Registrar of Companies.

**8. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspend and/or cancel the approval/licenses which may affect our business adversely.

For more information about the licenses required in our business, please refer section "Government and other statutory approvals" beginning on page no.140 of this Draft Prospectus.

**9. There are no long term supply agreements with our vendors/suppliers. Our Business may be adversely affected if there is any disruption in the supply of trading material or due to non-availability of trading material.**

We do not have written agreements with our vendors/suppliers and we purchase the Trading Materials as and required from the open market on regular basis. There are no long term supply agreements for the trading material. In absence of any such formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all or delayed supplies or price variation which would materially affect our results of operations.

In the event of any disruption in the supply or the non-availability of material in the required quantity and of required quality from alternate source, the supply schedule to our clients may be adversely be affected impacting the sales and profitability of the Company.

**10. We are having Limited number of suppliers in the FY 2021-22 and Our 76.41% of purchases are confined to five suppliers.**

Due to Covid-19 and other consequential effects the Company had started trading of Agricultural products and bullion apart from shifting export of textiles from International Market to Domestic Market. In the FY 2021-22 the company had purchase material worth ₹29187.64 lacs and out of that 76.41% of the material was purchased from Five Suppliers. Any disruption of the supply of materials by any top supplier will adversely affect the business of the Company and adversely affect the profitability and financial position of the Company.

- 11. Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.**

We are insured for a risks associated with our trading business, through various policies. We believe that we have got our assets and stock adequately insured, however our policy of covering these risks through insurance may not always be effective or adequate, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected. For details on insurance policies taken by our Company please page no. 67 in chapter titled “Business Overview” of Draft Prospectus.

- 12. We are dependent on third party transportation providers for delivery of trading goods and materials to us from our suppliers and delivery of trading goods and materials to our clients. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.**

As trading is our main activities, we purchase the grey fabrics, agricultural products and sale the same in the market, our success depends on the smooth supply and transportation of the trading materials and transportation of our trading materials from our suppliers to us/ or our buyers/clients, both of which are subject to various uncertainties and risks. In addition, trading materials may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of trading materials which may also affect our business and our results of operation negatively. Any failure to maintain a continuous supply of trading materials to us as well as to our clients in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations and reputation.

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

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

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

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

- 15. We have unsecured loans from directors and relatives of directors, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations.**

As per our restated financial statements, as on March 31, 2022, we have unsecured loan of ₹160.53 lakhs from erstwhile director and shareholders which is repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations. For further details of these unsecured loans, please refer to Chapter titled “Restated Financial Statements” beginning on page 102 of this Draft Prospectus.

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

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and

supply requirement accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of supply or an accumulation of excess inventory. The excess inventory will need storage space and block our liquidity resulting in to loss.

**17. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.**

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unexpected business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. We are giving cloth to Printing and Dying Houses for printing the selected design on the cloth. Thus, we out sourcing Printing work on Job work basis, the integrity of the Printing and Dying House is of prime importance to maintain quality of the work and secrecy of our design and any other information received with regard to our business. The precautions we take to prevent and detect these type of activities may not always be effective. Any delinquencies or trading errors on the part of our employees and business associates could materially affect our business operations, financial position and/or reputation.

**18. We are subject Foreign Exchange Rate fluctuation and strict compliance of The Foreign Exchange Regulations Act, 1973 (FERA) and the provisions of FEMA.**

We were exporting our finished goods to various countries against which we get our payments in foreign currency. In export dealing we have to face the foreign exchange fluctuation risk. We have also to comply with the strict provisions of FERA and FEMA. Any fluctuation in foreign exchange and non compliance of the provisions will lead to financial loss and strict disciplinary and punitive action against the company which may affect our liquidity, reputation and business operations and profitability of our company.

**19. Our promoters and Promoter group involved which are engaged in similar line of business activity in which issuer company is engaged which may create a conflict of interest, Further, we do not enjoy contractual protection by way of a non-compete or other agreement or arrangement with firms which are involved in similar line of business activity.**

Our Promoter, Anil Runthala is involved in the proprietorship firm Viz. B.R. Udhyog and B.R.R. Enterprise Private Limited, part of promoter group which are doing the business in the similar line of business of our company. However, our Company has not signed any agreement / document with our Group Entity so as to confirm that they will not sell products similar to issuer Company. Our Group Entities may expand their business in the future that may compete with us. The interests of these Group Entities may conflict with our Company's interests and / or with each other. For further details, please refer to the chapter titled, "Group companies", beginning on page 142 of the Draft Prospectus.

**20. Our Company does not have intellectual property rights over its corporate logo.**

We operate in an extremely competitive environment, We are having more than 1000 plus our own textile printing designs, through which we have created our own image, reputation and recognition in the market, which is a significant element of our business strategy and success. Currently, we do not have any corporate logo. In absence of our Registered Logo or Trademark there are chances of getting damage to our business prospects, reputation and goodwill and misuse of our designs also.

**21. Our Company is subject to high working capital requirements and our inability to fund these requirements in a timely manner may adversely impact our financial performance.**

Our Company is engaged in trading printed cloth materials, agricultural products and bullion. As on March 31, 2022 the Company's net working capital consisted of ₹4001.01 lakhs as against the ₹2152.40 lakhs as on March 31, 2021. As on the date of this Draft Prospectus we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, unsecured loans, working capital loans from the Banks etc. The last three years working capital requirement of the Company is given below.

Particulars	(₹in Lacs)		
	31.03.2020	31.03.2021	31.03.2022
Inventories	842.59	223.63	3250.01



Trade Receivables	2298.95	5141.42	2462.08
Cash and Bank Balances	18.33	12.86	1.89
Short term loans and Advances	212.20	457.84	412.20
Total	3372.07	5835.75	6126.18
Less :			
Trade Payables	1742.44	3481.63	2000.73
Other Current Liabilities	45.52	185.78	2.35
Short Term Provisions	5.43	15.94	122.09
Total Liabilities	1793.39	3683.35	2125.17
Net Working Capital	1578.68	2152.40	4001.01

If we are not able to manage the working capital requirement properly then the growth, profitability and business will be adversely affected.

**22. Our company avails credit facilities from the State Bank of India, as per sanction terms there are certain restrictive covenants imposed on the issuer company.**

We have availed credit facilities from the State Bank of India, Sanand branch. As a part of the conditions, during currency of the Bank's credit facilities, the borrower shall not without prior approval of the Bank in writing effect changes in their capital structure, any drastic change in company's management setup, effect implement any scheme of expansion/modernization/diversification/or acquire any fixed assets, formulate any scheme of amalgamation/ reconstruction, undertake new project/scheme, Declare dividend, make changes to the managerial remuneration. These covenants may have an adverse effect on the functioning of our Company. For further details, please refer to the chapter titled, "Financial Indebtedness", beginning on page 130 of the Draft Prospectus.

**23. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.**

Our Company had negative cash flows from our operating activities, in the previous years as per the Restated Financial Statements and the same are summarized as under.

(₹ In Lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net Cash Generated from Operating Activities	(1,314.69)	(501.07)	(332.45)

**24. We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.**

We have entered into certain transactions with related parties with our Promoters, Promoter Group, Directors, their relatives, Group Entities and may continue to do so in future. Our Company has entered into such transactions due to easy proximity and quick execution. Additionally, our company belief that all our related party transactions have been conducted on an arm's length basis, but we cannot provide assurance that we could have achieved more favorable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to "Annexure L" Related Party Transactions" on page 114 of Restated Financial Information of this Draft Prospectus.

**25. Our Promoters, Directors and Key Managerial Personnel may have interest in our Company, other than reimbursement of expenses incurred or remuneration.**

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them and benefits deriving from their shareholding in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled "Business Overview" and "Our Promoters and Promoter Group", beginning on page 67 and 98 respectively and the chapter titled "Annexure

*L - Related Party Transactions*” on page 114 under chapter titled “ *Restated Financial Statements*” beginning on page 102 of this Draft Prospectus.

**26. *Sale of shares by our promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

The sale of shares by the promoters or other significant shareholder(s) may significantly affect the trading price of our Equity shares. Further the market price generally may be adversely affected on account of the news about the sale of shares by the promoters. However the closing of trading windows during the period of financial results may restrict the promoters from selling the shares in the open market.

**27. *The issue price of the Equity Shares may not be indicative of market price of our equity shares after the issue and the market price of our Equity shares may decline below the issue price.***

The issue price of our Equity shares is decided on the basis of both qualitative and quantitative factors. The Company had made good progress in establishing its name in the Trading of Textile sector. All such point have been considered in deciding the issue price of the Equity Shares. Please refer chapter titled “Basis for Issue Price “beginning on the page 55 of the Draft prospectus. The market price of our equity shares could be subject to change after the issue and may decline the below the issue price.

**28. *There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 100 cr. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of Listing Agreement. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange.

**29. *Our success depends heavily upon our Promoters and Senior Management for their continuing services, strategic guidance and financial support.***

Our success depends heavily upon the continuing services of Mr. Anil Runthala who is the natural persons in control of our Company. He currently serves as our Managing Director and his experience and vision had played a key role in obtaining our current reputation and status in the market. We would depend significantly on our Key Managerial Persons for continuing our business operations successfully. If any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**30. *We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected.***

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue which may delay in the implementation schedule and could adversely affect our growth plans. For further details of object of Issue and schedule of implementation please refer to the chapter titled “*Objects of the Issue*” on page 49 of this Draft Prospectus.

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

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

**32. *Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

Post this Issue, our Promoters and Promoter Group will collectively own 62.94 % of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

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

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

**34. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or another independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be change subject to the approval of shareholders by passing special resolution pursuant to section 27 of Companies Act, 2013 through postal ballot or subject to an authority given by the Company in general meeting by way of special resolution and based on various factors which are beyond our control. For further details, please see the section titled "Objects of the Issue" beginning on page no. 49 of this Draft Prospectus.

**35. *Any future issuance of Equity Shares may dilute the shareholding of the Investor or any sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital, held by our Promoters or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our Post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the section titled "Capital Structure" beginning on page 40 of this Draft Prospectus. Any future issuance or sale of the equity shares of our Company by our Promoters or by other significant shareholder(s) or any perception or belief that such sales of Equity Shares might occur may significantly affect the trading price of our Equity Shares.

## EXTERNAL RISK FACTORS

**After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.**

The price of the Equity Shares on the stock exchange may fluctuate as a result of the factors, including:

- Volatility in the India and global capital market;
- Company's results of operations and financial performance;
- Performance of Company's competitors;
- Adverse media reports on Company;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India's economic and fiscal policies; and
- Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

**1. *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, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

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

Our Company is subject to various regulations and policies. For details see section titled "Key Industry Regulations and Policies" beginning on page 77 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**3. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**4. *Our 100% Revenue is derived from business in India in FY 2021-22 and a decrease in economic growth in India could materially affect and cause our business to suffer.***

Upto FY 2020-21 we were exporting textile material outside India also. However Due to COVID-19 company face problems like logistic cost, blocking of huge working capital in exporting goods out of India, we have changed the policy and started trading in India. In FY 2021-22, we derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance

industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**5. *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 Beeline Broking Limited as Designated 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.

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

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include income tax and GST and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

## SECTION - III –INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
<b>Issue of Equity Shares by our Company</b>	66,90,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ 45 per Equity Share aggregating to ₹ 3010.50 Lakhs
<i>Of Which</i>	
<b>Market Maker Reservation Portion</b>	3,36,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹45 per Equity Share aggregating to ₹ 151.20 Lakhs
<b>Net Issue to the Public*</b>	63,54,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 45 per Equity Share aggregating to ₹ 2859.30 Lakhs
<i>Of Which</i>	
<b>(A) Retail Portion</b>	31,77,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 45 per Equity Share aggregating to ₹ 1429.65 Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors
<b>(B) Non – Institutional Portion</b>	31,77,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹45 per Equity Share aggregating to ₹ 1429.65 Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.
<b>Pre-and Post-Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,50,00,000 Equity Shares of face value of ₹10.00/- each
<b>Equity Shares outstanding after the Issue</b>	2,16,90,000 Equity Shares of face value of ₹ 10.00/- each
<b>Use of Issue Proceeds</b>	For details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 49 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 01, 2022 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on September 25, 2022 pursuant to section 62(1)(c) of the Companies Act. This Issue is being made in terms of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended. For further details, please refer to section titled “Issue Structure” beginning on page 159 of this Draft Prospectus.

\*As per the Regulation 253 of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investor; 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 clauses (a) or (b) may be allocated to applicants in the other category.

If the retails individual investor category is entitled to more than allocated portion on proportionate basis, accordingly the retails individual investors shall be allocated that higher percentage.

## SUMMARY OF OUR FINANCIAL INFORMATION

### Restated Statement of Assets and Liabilities

(₹ In Lacs)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>IEQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	Note 1	500.00	400.00	400.00
(b) Reserves and surplus	Note 2	1,485.00	834.34	793.00
<b>2 Non-current liabilities</b>				
(a) Long-term borrowings	Note 3	623.95	675.48	433.43
(b) Other Non Current Liabilities		-	-	-
(c) Deferred tax liabilities (Net)		-	-	-
(d) Long-term Provisions		-	-	-
<b>3 Current liabilities</b>				
(a) Short-term borrowings	Note 4	2,525.43	1,399.43	-
(b) Trade payables	Note 5			
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,000.73	3,481.63	1,742.44
(c) Other current liabilities	Note 6	2.35	185.78	45.52
(d) Short-term provisions	Note 7	122.09	15.94	5.43
<b>TOTAL</b>		<b>7,259.55</b>	<b>6,992.60</b>	<b>3,419.82</b>
<b>II. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant & Equipment	Note 8			
(i) Tangible assets		1,197.92	1,197.92	68.74
Less: Accumulated Depreciation		66.33	41.27	21.76
Net Block		1,131.59	1,156.65	46.98
(b) Non Current Investments		-	-	-
(c) Deferred Tax Assets (Net)		1.78	0.20	0.20
(d) Long-term loans and advances	Note 9	-	-	-
(e) Other Non Current Assets	Note 10	-	-	0.57
<b>2 Current assets</b>				
(a) Current Investments		-	-	-
(b) Inventories	Note 11	3,250.01	223.63	842.59
(c) Trade receivables	Note 12	2,462.08	5,141.42	2,298.95
(d) Cash and cash equivalents	Note 13	1.89	12.86	18.33
(e) Short-term loans and advances	Note 14	412.20	457.84	212.20
(f) Other Current Assets		-	-	-
<b>TOTAL</b>		<b>7,259.55</b>	<b>6,992.60</b>	<b>3,419.82</b>

Restated Statement of Profit and Loss account

(₹ In Lacs)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I. Revenue from operations</b>	Note 15	27,182.84	10,596.96	10,000.24
<b>II. Other income</b>	Note 16	1.25	35.15	22.84
<b>III. Total Revenue (I + II)</b>		27,184.09	10,632.11	10,023.08
<b>IV. Expenses:</b>				
Purchase of Stock-In-Trade	Note 17	29,187.64	9,141.73	8,727.99
Changes in Inventories of work-in-progress	Note 18	(2,732.89)	618.96	863.13
Employee benefits expense	Note 19	34.94	30.42	89.90
Finance costs	Note 20	278.85	29.06	10.23
Depreciation and amortization expense	Note 21	25.06	20.08	10.46
Operating and Other expenses	Note 22	34.41	734.58	223.31
<b>Total expenses</b>		26,828.01	10,574.83	9,925.02
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		356.08	57.28	98.06
<b>VI Exceptional Items</b>				
<b>VII Profit before extraordinary items and tax</b>		356.08	57.28	98.06
<b>VIII Extraordinary items</b>		-	-	-
<b>IX Profit before tax (VII-VIII)</b>		356.08	57.28	98.06
<b>X Tax expense:</b>				
(1) Current tax	Annexure-E	107.00	15.94	26.43
(2) Deferred tax		(1.58)	-	-
(3) Less :- MAT Credit Entitlement		-	-	-
<b>XI Profit/(loss) for the period from Continuing operations(VII-VII)</b>		250.66	41.34	71.63
<b>XII Profit/(loss) from Discontinuing operations</b>		-	-	-
<b>XIII Tax Expense of Discontinuing operations</b>		-	-	-
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-	-
<b>XV Profit (Loss) for the period (XI + XIV)</b>		250.66	41.34	71.63
<b>XVI Adjusted Earnings per equity share:</b>				
(1) Basic				
(2) Diluted				



**Restated Statement of Cash Flow**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash flow from Operating Activities</b>			
<b>Net Profit Before tax as per Statement of Profit &amp; Loss</b>	356.08	57.28	98.06
Adjustments for :			
Depreciation & Amortisation Exp.	25.06	20.08	10.46
Income Tax Written Off			
Finance Cost	270.74	16.70	10.23
<b>Operating Profit before working capital changes</b>	651.88	94.06	118.75
<b>Changes in Working Capital</b>			
Trade receivable	2,679.34	(2,842.47)	5,939.79
Short term Loans and Advances	54.45	(245.64)	158.81
Inventories	(2,732.89)	618.96	863.13
Other Non Current Assets	-	-	0.56
Long term Loans And Advances	-	-	-
Trade Payables	(1,783.20)	1,739.19	(7,400.89)
Other Current Liabilities	(183.43)	140.26	9.47
Short Term Provisions	-	-	-
<b>Net Cash Flow from Operation</b>	(1,313.85)	(495.64)	(310.38)
Less: Income Tax paid	0.84	5.43	22.07
<b>Net Cash Flow from Operating Activities (A)</b>	(1,314.69)	(501.07)	(332.45)
<b>Cash flow from investing Activities</b>			
(Purchase) of Fixed Assets (net)	-	(1,129.18)	-
Sale of Fixed Assets (net)	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	-	(1,129.18)	-
<b>Cash Flow From Financing Activities</b>			
Proceeds From Issue of shares capital	500.00	-	-
Short Term Borrowing (Net)	1,126.00	1,399.43	-
Long Term Borrowing (Net)	(51.54)	242.05	352.20
Interest Paid	(270.74)	(16.70)	(10.23)
<b>Net Cash Flow from Financing Activities (C)</b>	1,303.72	1,624.78	341.97
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	(10.97)	(5.47)	9.52
Opening Cash & Cash Equivalents at the beging of the year	12.86	18.33	8.81
<b>Cash and cash equivalents at the end of the period</b>	<b>1.89</b>	<b>12.86</b>	<b>18.33</b>

## GENERAL INFORMATION

Our Company was originally incorporated as ‘BRR Udhog Private Limited’ as Private Limited Company under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated January 05, 2016 bearing Corporate Identification Number U51909GJ2016PTC085610 issued by the Deputy Registrar of Companies, Gujarat. The name of the Company was changed to “Haru Worldwide Private Limited” and a fresh certificate of Incorporation was issued on June 02, 2022 by the Registrar of Companies, Ahmedabad. Subsequently, our Company was converted in to a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on July 08,2022 and consequently the name of our company was changed to “Haru Worldwide Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated July 25,2022. The CIN of the Company is U51909GJ2016PLC085610. For further details, please refer the chapter titled “History and Certain Corporate Matters” beginning on page 83 of this Draft Prospectus.

The Corporate Identification Number of our Company is U51909GJ2016PLC085610.

### Registered Office of our Company

#### Haru Worldwide Limited

Office No. 308, Third Floor, Sukun Business Centre,  
Nr. Fairdeal House, Swastik Cross Road, C. G. Road,  
Ahmedabad-380009, Gujarat, India.

**Tel No:** +91 74350 00820

**Website:** www.haruworlwide.com

**E-mail:**investors@haruworlwide.com

### ADDRESS OF REGISTRAR OF COMPANIES

#### Registrar of Companies

Our Company is registered with the Registrar of Companies, Ahmedabad located at:

Registrar of Companies

ROC Bhavan, Opp. Rupal Park Society,

Behind Ankur Bus Stop, Naranpura,

Ahmedabad - 380013, Gujarat, India

### Board of Directors of our Company

Our Board of Directors comprises of the following directors as on the date of filing of this Draft Prospectus

Sr No	Name	Designation	DIN	Address
1.	Anil Runthala	Managing Director	06451305	W-38, Ghanshyamnagar Society, Subhash bridge, Opposite RTO Office, Gandhi Ashram, Ahmedabad – 380027, Gujarat, India
2.	Harsha Sharma	Executive Director	07876300	W-38 Ghanshyamnagar Society, Opposite RTO Office, Subhash Bridge, Ahmedabad - 380027, Gujarat, India
3.	Pradeep Sharma	Non-Executive Director	09545620	Ward No 38, Shri Ayurved Aushdhalay, Near Pankaj Talkies, Chhindwara-480001, Madhya Pradesh, India
4.	Vaibhav Kakkad	Independent Director	08148272	Shri Ram, Dharam Nagar Society Main Road, Opp. Raj Bank, 150 Feet Ring Road, Rajkot – 360007, Gujarat, India
5.	Vinod Mishra	Independent Director	07552109	AT- Baidyanath Ayurvedic Bhawan, Bamhani, Gopalganj, Seoni - 480661, Madhya Pradesh, India

For further details of our Directors, please refer chapter titled “Our Management” beginning on page 87 of this Draft Prospectus.

### Company Secretary and Compliance Officer

**Krishna Naik**

**Haru Worldwide Limited**

Office No. 308, Third Floor, Sukun Business Centre,  
Nr. Fairdeal House, Swastik Cross Road, C. G. Road,  
Ahmedabad-380009, Gujarat, India.

**Tel No: +91 74350 00820**

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

**E-mail: [investors@haruworlwide.com](mailto:investors@haruworlwide.com)**

*Note: Investors can contact our Company Secretary and Compliance Officer, the Lead Manager 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 orders and non-receipt of funds by electronic mode etc.*

**ALL GRIEVANCES RELATING TO THE ASBA PROCESS AND UPI PAYMENT MECHANISM MAY BE ADDRESSED TO THE REGISTRAR TO THE ISSUE, WITH A COPY TO THE RELEVANT DESIGNATED INTERMEDIARY WITH WHOM THE ASBA FORM WAS SUBMITTED. THE APPLICANT SHOULD GIVE FULL DETAILS SUCH AS NAME OF THE SOLE OR FIRST APPLICANT, ASBA FORM NUMBER, APPLICANT DP ID, CLIENT ID, UPI ID (IF APPLICABLE), PAN, DATE OF THE ASBA FORM, ADDRESS OF THE APPLICANT, NUMBER OF EQUITY SHARES APPLIED FOR AND THE NAME AND ADDRESS OF THE DESIGNATED INTERMEDIARY WHERE THE ASBA FORM WAS SUBMITTED BY THE ASBA APPLICANT.**

**Further, the investors shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned above.**

<b>Lead Manager to the Issue</b>	<b>Registrar to the Issue</b>
<b>Interactive Financial Services Limited</b> <b>Address:</b> 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad - 380 009, Gujarat, India <b>Tel No.:</b> 079-46019796 <b>(M):</b> +91-9898055647 <b>Web Site:</b> <a href="http://www.ifinservices.in">www.ifinservices.in</a> <b>Email:</b> <a href="mailto:mbd@ifinservices.in">mbd@ifinservices.in</a> <b>Investor Grievance Email:</b> <a href="mailto:info@ifinservices.in">info@ifinservices.in</a> <b>Contact Person:</b> Mr. Pradip Sandhir <b>SEBI Registration No:</b> INM000012856	<b>Bigshare Services Private Limited</b> <b>Address:</b> Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Center, Mahakali Caves Road, Andheri East, Mumbai-400093 <b>Tel No:</b> +91 22-62638200 <b>Fax No</b> +91 22-62638299 <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>E-Mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Contact Person:</b> Mr. Aniket Chindarkar <b>SEBI Reg. No.:</b> INR000001385
<b>Legal Advisor to the Issue</b>	<b>Statutory Auditor</b>
<b>M/s. J P LEGAL</b> <b>Address:</b> 505, 5 <sup>th</sup> Floor I Square the Corporate Park, Science City Road, Near CIMS Hospital, Ahmedabad - 380 060, Gujarat, India <b>Tel No:</b> 9898118874 <b>M:</b> +91- 9898118874 <b>Email Id:</b> <a href="mailto:jplegal9@gmail.com">jplegal9@gmail.com</a> <b>Contact Person:</b> ADV. Jay Purohit <b>Bar Council No.:</b> G/797/2009	<b>M/s. B. K. Chavda &amp; Co., Chartered Accountants</b> <b>Address:</b> 305, Rajvi Complex, Opp. Maninagar Police Station, Maningar, Ahmedabad– 380008, Gujarat, India <b>Tel No.:</b> 9924315226 <b>Email:</b> <a href="mailto:mazahir.chahwala@gmail.com">mazahir.chahwala@gmail.com</a> <b>Membership No.:</b> 153843 <b>Firm Registration No.:</b> 125064W <b>Contact Person:</b> CA M. N. Chahwala
<b>Peer Reviewed Auditor</b>	<b>Bankers to the Company*</b>
<b>M/s Bhagat &amp; Co., Chartered Accountants</b> <b>Address:</b> 24, Laxmi Chamber, Navjivan Press Road, Near Old High Court, Income-Tax, Ahmedabad – 380 014, Gujarat, India <b>Tel No.:</b> +91 079-27541551 <b>Email:</b> <a href="mailto:bhagatco2014@gmail.com">bhagatco2014@gmail.com</a> <b>Membership No.:</b> 052725 <b>Firm Registration No.:</b> 127250W <b>Peer Review No:</b> 012958	[•]

**Contact Person:** Mr. Shankar Prasad Bhagat

**Bankers to the Issue and Refund Banker and Sponsor Bank**

**ICICI Bank Limited**

**Address:** Capital Market Division, 1st Floor,  
5th Floor, HT Parekh Marg, Churchgate, Mumbai- 400020

**Tel:** 022-68052182

**Fax No.:** NA

**Email id:** [sagar.welekar@icicibank.com](mailto:sagar.welekar@icicibank.com)/ipocmg@icicibank.com

**Contact Person:** Mr. Sagar Welekar

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

**SEBI Registration Number:** INBI00000004

\* Consent awaited

**SYNDICATE MEMBER(S)**

No Syndicate Member have been appointed as on the date of this Draft Prospectus

**DESIGNATED INTERMEDIARIES**

**Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>.

Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and its updated from time to time.

**Registered Broker**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicant can submit Application form through stock broker network of the Stock Exchange i.e Registered Broker at the Broker center.

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 website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

**Registrar to the Issue and Share Transfer Agents**

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**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

**Inter-Se Allocation of Responsibilities**

Interactive Financial Services Limited being the sole Lead Manager to this issue shall be undertaking all activities in relation to this issue. Hence, the statement of inter-se allocation of responsibilities among Lead Manager is not required.

### **Credit Rating**

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

### **IPO Grading**

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

### **Monitoring Agency**

As per regulation 262(1) of SEBI (ICDR) Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to Rs. 10,000 Lakhs. Since the Issue size is only of Rs.3010.50 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

### **APPRAISING ENTITY**

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

### **Expert Opinion**

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

Our Company has received a written consent from our Peer Review Auditor, M/s Bhagat & Co., Chartered Accountants, with respect to their report on the Restated Financial Statements dated September 28, 2022 and written consent from our statutory auditor M/s. B. K. Chavda & Co., Chartered Accountants, with respect to the Statement of Tax Benefits dated September 28, 2022, to include their name in this Draft Prospectus, as required under Companies Act read with SEBI ICDR Regulations as Expert, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term expert shall not be construed to mean an expert as defined under the U.S. Securities Act.

### **Trustee**

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

### **Changes in Auditors During the Last Three Years**

<b>Sr. No.</b>	<b>Name of Auditor</b>	<b>Date of Appointment</b>	<b>Date of Resignation</b>	<b>Reason for Change</b>
1.	M/s. Agarwal Jindal & Co. Chartered Accountants 310, Sudarshan Complex, Near Mithakali Underbridge, Ahmedabad-380009, Gujarat, India. FRN No.: 123551W Email ID: ashwinshahca@yahoo.com	April 04, 2017	January 01, 2020	Pre-Occupation
2.	M/s. B K Chavda & Co. Chartered Accountants 305, 3rd Floor, Rajvi Complex, Opp. Maninagar Police Station, Ahmedabad – 380008, Gujarat, India. FRN No.: 125064W Email ID: mazahir.chahwal@gmail.com	March 02, 2020	-	-

### **Filing of Draft Offer Document/ Offer Document**

- a) The Draft Prospectus and Prospectus shall be filed with SME Platform of BSE Limited (“BSE SME”) situated at Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001
- b) A soft copy of Draft Prospectus shall be submitted to SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Draft Prospectus and Prospectus along with relevant documents shall be filed with 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>.
- c) 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 delivered to the Registrar of Companies, Ahmedabad, Gujarat, India situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.

### Underwriter

Our Company and the LM to the Issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated September 28, 2022 Pursuant to the terms of the Underwriting Agreement; 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:

Name and Address of the Underwriter	Indicative Number of Equity Shares Underwritten*	Amount Underwritten (₹in Lakhs)	% of the Net Issue size Underwritten
<b>Interactive Financial Services Limited</b> <b>Address:</b> 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad - 380 009, Gujarat, India <b>Tel No.:</b> 079- 46019796 <b>(M):</b> +91-98980 55647 <b>Web Site:</b> <a href="http://www.ifinservices.in">www.ifinservices.in</a> <b>Email:</b> <a href="mailto:mbd@ifinservices.in">mbd@ifinservices.in</a> <b>Investor Grievance Email:</b> <a href="mailto:info@ifinservices.in">info@ifinservices.in</a> <b>Contact Person:</b> Mr. Pradip Sandhir <b>SEBI Registration No:</b> INM000012856	66,90,000	3010.50	100.00%
<b>Total</b>	<b>66,90,000</b>	<b>3010.50</b>	<b>100.00%</b>

\*Includes 3,36,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to comply with the requirements of Regulation 261 of SEBI (ICDR) Regulations 2018.

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

### WITHDRAWAL OF THE ISSUE

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

### Market Maker

Our Company and the Lead Manager have entered into an agreement dated September 28, 2022 with the following Market Maker, duly registered with BSE to fulfill the obligations of Market Making:

**Beeline Broking Limited**

Samudra Complex, Office no. 701-702,

Nr. Girish Cold Drinks, off. C G Road,

Navrangpura, Ahmedabad – 380009

Gujarat, India

Tel No: 079 66664040

**Email:** [pcs@beelinebroking.com](mailto:pcs@beelinebroking.com)

**Investor Grievance Email ID:** [support@beelinebroking.com](mailto:support@beelinebroking.com)

**Contact Person:** Mr. Pradip R. Sandhir

**SEBI Registration No:** INZ000000638

Beeline Broking Limited is registered with BSE SME as a Market Maker and has agreed to receive or deliver the Equity Shares in the market making process for a period of three (3) 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 fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the trading hours in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE SME (SME platform of BSE) and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker 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. The minimum lot size in the IPO is 3,000 Equity Shares, thus, the minimum depth of the quote shall be such an amount that the minimum lot of 3,000 Equity Shares is met, until the same is revised by Stock exchange.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is 3,000 equity shares; however, the same may be changed by the SME Platform of stock exchange from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size (including the 3,36,000 Equity Shares to be allotted under this Issue to the Market Maker). Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken into consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

8. There would not be more than five (5) Market Makers for a scrip of the company at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
9. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Exchange.
10. The Equity Shares of the Issuer will be traded in continuous trading session from the time and day the Issuer gets listed on BSE SME and Market Maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars or amended from time to time.
11. The Market Maker shall not buy the Equity Shares from the Promoters or Promoter Group of the Issuer or any person who has acquired Equity Shares from such Promoter or Promoter Group, during the Compulsory Market Making Period
12. The Promoters' holding of the Issuer which is locked-in shall not be eligible for offering to Market Maker during the Compulsory Market Making period. However, the Promoters' holding of the Issuer which is not locked in as per SEBI ICDR Regulations can be traded with prior permission of the BSE SME, in the manner specified by SEBI from time to time.
13. The LM, if required, has a right to appoint a nominee director on the Board of the Issuer any time during the Compulsory Market Making period provided it meets requirements of the SEBI ICDR Regulations.
14. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer at any particular level and is purely supposed to facilitate liquidity on the counter of the Issuer via its 2-way quotes. The price shall be determined and be subject to market forces.
15. 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 withdrawal on account of force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
16. The Market Maker shall have the right to terminate said arrangement by giving a six month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
17. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.
18. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
19. **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular Equity Shares of the Company as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.



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

20. 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
- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
21. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME.

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

22. After completion of the first three months of market making, in terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Offer). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two-way quotes during the first three months of the market making irrespective of the level of holding.
23. 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. The call auction is not applicable of those companies, which are listed at SME platform.
24. 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.
25. Further, the following shall apply to Market Maker while managing its inventory during the process of market making:
- a) The exemption from threshold as per table below shall not be applicable for the first three (3) months of the Compulsory Market Making Period and the Market Maker shall be required to provide two-way quotes during this period irrespective of the level of holding.
  - b) Threshold for market making as per table below will be inclusive of mandatory inventory of 5% of Issue Size at the time of Allotment in the Issue.
  - c) Any initial holdings over and above such 5% of Issue size would not be counted towards the inventory levels prescribed
  - d) Apart from the above mandatory inventory, only those Equity Shares which have been acquired on the platform of the Exchange during market making process shall be counted towards the Market Maker's threshold.
  - e) Threshold limit will be taken into consideration, the inventory level across market makers.
  - f) The Market Maker shall give two-way quotes till it reaches the upper limit threshold, thereafter it has the option to give only sell quotes.

- g) Two-way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.
- h) In view of the market making obligation, there shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process on the platform of the Exchange, the Exchange may intimate the same to SEBI after due verification.

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of Issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of Issue size)
Upto ₹ 2,000 Lakhs	25 %	24 %
₹. 2,000 Lakhs to ₹. 5,000 Lakhs	20 %	19 %
₹. 5,000 Lakhs to ₹. 8,000 Lakhs	15 %	14 %
Above ₹.8,000 Lakhs	12 %	11 %

26. 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/ BSE from time to time.

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

Our Equity Share Capital before the issue and after giving effect to the issue, as on the date of filing of this Draft Prospectus, is set forth below:

Amount (₹ in Lacs except share data)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	2,20,00,000 Equity Shares of face value of ₹10 each	2200.00	
<b>B.</b>	<b>ISSUED, SUBSCRIBED &amp; PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	1,50,00,000 fully paid Equity Shares of face value of Rs. 10 each	1500.00	
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS#</b>		
	Issue of 66,90,000 Equity Shares of face value of ₹10 each at a premium of ₹35 per share	669.00	3010.50
	<b>Which Comprises:</b>		
(I)	Reservation for Market Maker 3,36,000 Equity Shares of face value of ₹10 each at a premium of Rs. ₹35 will be available for allocation to Market Maker	33.60	151.20
(II)	Net Issue to the Public 63,54,000 Equity Shares of face value of ₹10 each at a premium of ₹35 per share	635.40	2859.30
	<b>Of Net Issue to the Public</b>		
(I)	31,77,000 Equity Shares of face value of ₹10 each at a premium of ₹35 per share shall be available for allocation for Investors applying for a value of upto ₹2 Lakh	317.70	1429.65
(II)	31,77,000 Equity Shares of face value of ₹10 each at a premium of ₹35 per share shall be available for allocation for Investors applying for a value above ₹2 Lakh	317.70	1429.65
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE PRESENT ISSUE</b>		
	2,16,90,000 Equity Shares of ₹10 each	2169.00	
<b>E.</b>	<b>SHARE PREMIUM ACCOUNT</b>		
	Share Premium account before the Issue		-
	Share Premium account after the Issue		2341.50

### Details of Changes in Authorized Share Capital:

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

Sr. No.	Date of Change	AGM/ EGM	Changes in authorized Capital
1.	On Incorporation (January 5, 2016)	-	The authorized capital of our company on incorporation comprised of ₹ 1,00,00,000/- consisting of 10,00,000 Equity shares of ₹ 10 each.
2.	September 11, 2018	EGM	The authorized share capital of ₹ 1,00,00,000/- consisting of 10,00,000 Equity shares of ₹ 10 each was increased to ₹ 2,00,00,000/- consisting of 20,00,000 Equity shares of ₹10/- each.
3.	December 24, 2018	EGM	The authorized share capital of ₹2,00,00,000/- consisting of 20,00,000 Equity shares of ₹10/- each was increased to ₹4,00,00,000/- consisting of 40,00,000 Equity shares of ₹10/- each.

4	June 11,2021	EGM	The authorized share capital of ₹4,00,00,000/- consisting of 40,00,000 Equity shares of ₹10/- each was increased to ₹5,00,00,000/-consisting of 50,00,000 Equity shares of ₹10/- each.
5	July 8,2022	EGM	The authorized share capital of ₹5,00,00,000/- consisting of 50,00,000 Equity shares of ₹10/- each was increased to ₹20,00,00,000/-consisting of 2,00,00,000 Equity shares of ₹10/- each.
6	August 1,2022	EGM	The authorized share capital of ₹20,00,00,000/-consisting of 2,00,00,000 Equity shares of ₹10/- each was increased to ₹22,00,00,000/-consisting of 2,20,00,000 Equity shares of ₹10/- each

Note:

The present issue of 66,90,000 equity shares in terms of this Draft Prospectus has been authorized by a resolution of our Board dated September 1, 2022 and by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on September 25, 2022.

The company has one class of share capital i.e. Equity Shares of Face value of Rs.10/- each only. All equity shares issued are fully paid-up. Our Company has no outstanding Convertible Instruments as on date of this Draft Prospectus.

#### NOTES TO THE CAPITAL STRUCTURE:

##### 1. Share Capital History:

Our existing Share Capital has been subscribed and allotted as under:

Date of Allotment	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
On Incorporation (January 5,2016)	10,000	10	10	Cash	Subscription to MoA <sup>1</sup>	10,000
August 8,2017	9,90,000	10	10	Cash	Right issue <sup>2</sup>	10,00,000
February 15,2019	30,00,000	10	30	Other than cash	@ Preferential Allotment <sup>3</sup>	40,00,000
August 5,2021	10,00,000	10	50	Cash	Right Issue <sup>4</sup>	50,00,000
July 20, 2022	1,00,00,000	10	NA	Other than Cash	Bonus Issue <sup>5</sup>	1,50,00,000

@ Preferential Allotment (in form of Conversion of Loan).

1. Initial Subscribers to Memorandum of Association subscribed 10,000 Equity Shares of face value of Rs.10/- each fully paid at par as per the details given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Anil Runthala	9,500
2.	Omprakash Runthala	500
<b>Total</b>		<b>10,000</b>

2. Further Allotment as on August 8, 2017 of 9,90,000 Equity Shares of face value of Rs. 10 each fully paid up at par, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Anil Runthala	9,90,000
<b>Total</b>		<b>9,90,000</b>

3. Conversion of Loan in to Equity Shares as on February 15, 2019 of 30,00,000 Equity Shares of face value of Rs. 10 each fully paid up at a premium of Rs. 20 per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
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1.	Anil Runthala	30,00,000
<b>Total</b>		<b>30,00,000</b>

4. Further Allotment as on August 5, 2021 of 10,00,000 Equity Shares of face value of Rs. 10 each fully paid up at a premium of Rs. 40 per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Harsha Sharma	6,00,000
2.	Pankaj Goenka	4,00,000
<b>Total</b>		<b>10,00,000</b>

5. Issue of Bonus Shares (2:1) as on July 20, 2022 of 1,00,00,000 Equity Shares of face value of ₹ 10 each fully paid up, the details are given below:

Sr. No	Name of the Person	Category	No of Shares Subscribed
1.	Harsha Sharma	Promoter	49,00,000
2.	Anil Runthala	Promoter	36,00,000
3.	Pradeep Sharma	Promoter Group	3,00,000
4.	Piyush Sharma	Promoter Group	3,00,000
5.	Kiran Sharma	Public	3,00,000
6.	Niramaladevi Sharma	Public	3,00,000
7.	Ruchita Sharma	Public	3,00,000
<b>Total</b>			<b>1,00,00,000</b>

## 2. Equity Share Issued for consideration other than cash:

- a) Except as set out below, our Company has not issued Equity Shares for consideration other than cash:

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Consideration
February 15,2019	30,00,000	10	30	Conversion of Loan
July 20, 2022	1,00,00,000	10	Not Applicable	Bonus Issue

3. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
4. Further, our Company has not allotted any Equity Shares pursuant to any scheme approved under section 230-234 of the Companies Act, 2013.
5. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
6. Our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Prospectus at a price lower than the Issue price. However, our company has issued Bonus Shares during a period of one year preceding the date of the Draft Prospectus:

Date of Allotment	No. of Shares Allotted	Face Value	Type of Issue
July 20, 2022	1,00,00,000	10	Bonus Issue

## 7. Our Shareholding Pattern:

The shareholding pattern of our company in accordance with Regulation 31 of SEBI (LODR) Regulations, 2015, as on September 29, 2022:

**i. Summary of Shareholding Pattern:**

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)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights	Total as a % of (A+B+C)				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter & Promoter Group	4	13650000	0	0	13650000	91.00	13650000	0	0	91.00	0	0	0	0	0	0
(B)	Public	3	1350000	0	0	1350000	9.00	1350000	0	0	9.00	0	0	0	0	0	0
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
	<b>TOTAL</b>	<b>7</b>	<b>15000000</b>	<b>0</b>	<b>0</b>	<b>15000000</b>	<b>100</b>	<b>15000000</b>	<b>0</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N.A</b>	<b>N.A</b>	<b>0</b>

**Note:** Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of BSE before commencement of trading of such equity shares.

**8. The shareholding pattern before and after the Issue:**

Sr. No	Name of share holder	Pre-issue		Post Issue	
		No of equity shares	As a % of Issued Capital	No of equity shares	As a % of Issued Capital
<b>(i) Promoter</b>					
8.	Harsha Sharma	7350000	49	7350000	33.89
9.	Anil Runtalal	5400000	36	5400000	24.90
	<b>TOTAL (A)</b>	<b>12750000</b>	<b>85</b>	<b>12750000</b>	<b>58.79</b>
<b>(ii) Promoter Group</b>					
10.	Pradeep Sharma	450000	3	450000	2.07
11.	Niramaladevi Sharma	450000	3	450000	2.07
	<b>TOTAL (B)</b>	<b>900000</b>	<b>6</b>	<b>900000</b>	<b>4.15</b>
<b>(iii) Public</b>					
12.	Ruchita Sharma	450000	3	450000	2.07
13.	Piyush Sharma	450000	3	450000	2.07
14.	Kiran Sharma	450000	3	450000	2.07
	IPO			6690000	30.84
	<b>TOTAL (C)</b>	<b>1350000</b>	<b>9</b>	<b>8040000</b>	<b>37.06</b>
	<b>TOTAL (A+B+C)</b>	<b>15000000</b>	<b>100.00</b>	<b>21690000</b>	<b>100.00</b>

**8. Details of Major Shareholders**

- i. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Harsha Sharma	7350000	49
2.	Anil Runtalal	5400000	36
3.	Pradeep Sharma	450000	3
4.	Piyush Sharma	450000	3
5.	Kiran Sharma	450000	3
6.	Niramaladevi Sharma	450000	3
7.	Ruchita Sharma	450000	3
<b>TOTAL</b>		<b>15000000</b>	<b>100</b>

- ii. List of Shareholder holding 1.00% or more of the paid-up capital of the company ten days prior to the date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Harsha Sharma	7350000	49
2.	Anil Runtalal	5400000	36
3.	Pradeep Sharma	450000	3
4.	Piyush Sharma	450000	3
5.	Kiran Sharma	450000	3
6.	Niramaladevi Sharma	450000	3
7.	Ruchita Sharma	450000	3
<b>TOTAL</b>		<b>15000000</b>	<b>100</b>

- iii. List of Shareholder holding 1.00% or more of the paid-up capital of the company one years prior to the date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Anil Runtalal	150000	3
2.	Pradeep Sharma	150000	3
3.	Pankaj Goenka	2600000	52
4.	Harsha Sharma	1300000	26
5.	Jignesh Mankadiya	500000	10
6.	Kiran Sharma	150000	3
7.	Piyush Sharma	150000	3
<b>TOTAL</b>		5000000	100

iv. **List of Shareholder holding 1.00% or more of the paid-up capital of the company two years prior to the date of the Draft Prospectus:**

Sr. No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Anil Runtalal	150000	3.75
2.	Pradeep Sharma	150000	3.75
3.	Pankaj Goenka	2200000	55
4.	Harsha Sharma	700000	17.5
5.	Jignesh Mankadiya	500000	12.5
6.	Kiran Sharma	150000	3.75
7.	Piyush Sharma	150000	3.75
<b>TOTAL</b>		4000000	100

9. As on date of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

10. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure within a period of six months from the date of opening of this Issue, 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 otherwise except that if we enter into acquisition(s) or joint ventures, we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

**11. Share Capital Build-up of our Promoter & Lock-in**

Our Promoter had been allotted Equity Shares from time to time. The following is the Equity share capital build-up of our Promoters.

Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price	% of total Issued Capital		Lockin
							Pre-Issue	Post-Issue	
Anil Runthala									
January 5, 2016	Subscriber to MOA	Cash	9500	9500	10	10	0.06	0.04	1 year
August 8, 2017	Allotment	Cash	990000	999500	10	10	6.60	4.56	1 year
February 15, 2019	Allotment	Other than Cash	3000000	3999500	10	30	20.00	13.83	1 year



Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price	% of total Issued Capital		Lockin
							Pre-Issue	Post-Issue	
January 23,2020	Transferred	Cash	(3849500)	150000	10	10	(25.66)	(17.75)	1 year
July 15,2022	Transferred	Cash	1650000	1800000	10	10	11.00	7.61	1 year
July 20, 2022	Bonus Issue	Other than Cash	438000	2238000	10	NA	2.92	2.02	3 year
			3162000	5400000			21.08	14.58	1 Year
	<b>TOTAL (A)</b>			<b>5400000</b>			<b>36.00</b>	<b>24.90</b>	
Harsha Sharma									
August 5,2021	Allotment	Cash	600000	600000	10	40	4.00	2.77	3year
January 23,2020	Transferred	Cash	700000	1300000	10	10	4.67	3.23	3year
July 15,2022	Transferred	Cash	1150000	2450000	10	10	7.67	5.30	1 year
July 20, 2022	Bonus Issue	Other than Cash	2300000	4750000	10	NA	15.33	10.60	1 year
			2600000	7350000			17.33	11.99	3 year
	<b>TOTAL (B)</b>			<b>7350000</b>			<b>49.00</b>	<b>33.89</b>	

Note: All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment and none of the Equity Shares held by our Promoters are pledged.

12. None of our Promoters, Promoters Group, Directors and their relatives have purchased or sold the equity share of our company during the past six months immediately preceding the date of filing Draft Prospectus except stated below:

Date of transaction	Name of the Promoter/Director/ Promoter Group.	Purchased /sold	No of shares
July 15, 2022	Anil Runthala	Purchase	16,50,000
July 15, 2022	Harsha Sharma	Purchase	11,50,000

13. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Draft Prospectus.

#### 14. Lock in of Promoters:

- a) As per clause (a) Regulation 238 of the SEBI (ICDR) Regulations and in terms of the aforesaid table, an aggregate of 20.00 % of the post-Issue Equity Share Capital of our Company i.e. 43,38,000 equity shares shall be locked in by our Promoter for three years. The lock-in shall commence from the date of allotment in the proposed public issue and the last date of lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. ("Minimum Promoters' contribution").

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoter for the lock-in of 43,38,000 Equity Shares for three years. The Equity Shares that are being locked in are not ineligible for minimum promoters contribution in terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018. In connection, we confirm the following.

- The equity shares offered for minimum 20% promoters contribution have not been acquired in the preceding three years before the date of draft prospectus for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction nor resulted from a bonus issue by utilisation of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters' contribution;
- The minimum promoters Contribution does not include Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- The minimum promoters Contribution does not include Equity shares pledged with any creditor.

**b) Equity Shares of Promoter locked-in for one year**

In addition to 20.00% (43,38,000) of the post-Issue shareholding of our Company shall be locked-in for three years as the minimum Promoters' contribution, the balance Pre-Issue Paid-up Equity Share Capital i.e. 84,12,000 the Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering as provided in clause (b) of Regulations 238 of SEBI (ICDR) Regulations, 2018.

**15. Lock-in of securities held by persons other than the promoters :**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly 22,50,000 Equity shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

**16. Transferability of Lock-in securities:**

- a) In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, 2018, may be transferred to another Promoters or any person of the promoter group or a new promoter or a person in control of the issuer company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.
- b) In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by persons other than the Promoters' prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

**17. Other requirements in respect of 'lock-in'**

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

- If the specified securities are locked-in in terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations,2018, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of clause (b) of Regulation 238 of the SEBI (ICDR) Regulations,2018, and the pledge of specified securities is one of the terms of sanction of the loan.

18. In terms of regulations 241 of the SEBI(ICDR) Regulations, 2018, our Company confirms the securities issued in dematerialized form then the lock-in is recorded by the depository.

19. Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
20. All the Equity Shares of our Company are fully paid up equity shares as on the date of the 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.
21. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.
22. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
23. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines
24. As per RBI regulations, OCBs are not allowed to participate in this Issue.
25. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
26. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
27. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
28. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
29. Our Promoter and the members of our Promoter Group will not participate in this Issue.
30. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
31. Our Company shall ensure that transactions in the Equity Shares by the Promoter Group between the date of registering Prospectus with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
32. None of our Key Managerial holds any Equity Shares in our Company.
33. As on date of this Draft Prospectus, our Company has 7 Shareholders.

## SECTION IV - PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The present Public Issue of 66,90,000 Equity Shares at an issue price of ₹45 per Equity Share.

**Our Company proposes to utilize the Net Proceeds from the issue towards the following objects:**

1. Working capital requirement
2. General Corporate Purpose,
3. Meeting Public Issue Expenses.

(Collectively referred to as “**Objects**”)

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

### Net Proceeds

The details of the proceeds of the issue are summarized in the table below:

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
3.	Gross proceeds from the issue	3010.50
4.	Less: Issue related expenses	60.00
<b>Net proceeds of the issue</b>		<b>2950.50</b>

### Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Working capital requirement	2250.50
2.	General corporate purposes	700.00
<b>Total utilization of net proceeds</b>		<b>2950.50</b>

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the lead manager or appraised by any bank or financial institution or any other external agency. Given the dynamic nature of our business and our Company, we may have to revise the estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In addition, the estimated dates of completion of various plans as described herein are based on management’s current expectations and are subject to change due to various factors, some of which may not be in our control.

In the event of shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “*Risk Factors*” beginning on page. 17 of this Draft Prospectus.

### Schedule of implementation and Deployment of Net Proceeds

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

(₹ In lakhs)

Sr. No.	Particulars	Total Estimated Cost	Amount already deployed	Estimated utilization of net proceeds in FY 2022-2023
1.	Working capital requirement	2250.50	0	2250.50
2.	General corporate purposes <sup>1</sup>	700.00	0	700.00
	<b>Total</b>	<b>2950.50</b>	<b>0</b>	<b>2950.50</b>

<sup>1</sup>The amount utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2022-23. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2022-23 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

### Means of Finance

In the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

We confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI (ICDR) Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI (ICDR) Regulations, 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the issue.

### DETAILS OF THE OBJECTS OF THE ISSUE

#### 1) WORKING CAPITAL REQUIREMENTS

The Net working capital requirement of the Company in the Financial Year 2021-22 was of ₹4001.01 lacs which was financed by the Bank Borrowing of ₹2525.43 lacs, Long term Borrowings of ₹623.95 lacs and balance from capital as well as Cash Accruals. After the Covid-19, the company had picked up the business and instead of exporting the goods which require huge working capital requirement on account of delay in shipment and long duration to reach the material at the destination. The company had started supplying the goods to the Indian who are exporting the goods. The Net working capital requirement will be ₹6375.50 lacs in the current Financial year 2022-23.

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

(₹ In Lacs)

Particulars	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024
	Audited	Audited	Audited	Projected	Projected
Inventories	842.59	223.63	3250.01	3643.84	4164.38
Trade Receivables	2298.95	5141.42	2462.08	4315.07	4383.56
Cash and Bank Balances	18.33	12.86	1.89	38.80	23.74
Short term loans and Advances	212.20	457.84	412.20	600.00	650.00
<b>Total</b>	<b>3372.07</b>	<b>5835.75</b>	<b>6126.18</b>	<b>8597.70</b>	<b>9221.69</b>
Less :					
Trade Payables	1742.44	3481.63	2000.73	2095.21	2394.52
other Current Liabilities	45.52	185.78	2.35	2.00	5.00
Short Term Provisions	5.43	15.94	122.09	125.00	250.00
<b>Total Liabilities</b>	<b>1793.39</b>	<b>3683.35</b>	<b>2125.17</b>	<b>2222.21</b>	<b>2649.52</b>
Net Working Capital	1578.68	2152.40	4001.01	6375.50	6572.16
Bank Borrowing		1399.43	2525.43	2500.00	2500.00

Financed through Capital Internal Cash Accruals	1145.25	77.49	851.63	1000.00	1196.66
Long term and short term borrowings	433.43	675.48	623.95	625.00	625.00
Fund from IPO				2250.50	

Assumptions for working capital requirements

Particulars	No of months holding period				Justification for Holding
	F.Y. 2019-20	F.Y.2020-21	F.Y. 2021-22	F.Y. 2022-23 and F.Y. 2023-24 (Estimated)	
Finished Goods	32	8	45	40	Due to Covid-19, the business was suffered and the stocking period and receivables as well as Payables are beyond the control of the Company. The Company had changed the policy and instead of Direct export started selling goods to the Indian traders who are exporting. The change in policy help us to reduce the working capital requirement and reduce the cost by making payment to suppliers in time The projected working capital requirement is on the basis of the FY 2021-22
Trade Receivables	84	177	33	45	Due to Covid-19, the business was suffered and the stocking period and receivables as well as Payables are beyond the control of the Company. The Company had changed the policy and instead of Direct export started selling goods to the Indian traders who are exporting. The change in policy help us to reduce the working capital requirement and reduce the cost by making payment to suppliers in time The projected working capital requirement is on the basis of the FY 2021-22
Trade Payables	66	130	28	23	Due to Covid-19, the business was suffered and the stocking period and receivables as well as Payables are beyond the control of the Company. The Company had changed the policy and instead of Direct export started selling goods to the Indian traders who are exporting. The change in policy help us to reduce the working capital requirement and reduce the cost by making payment to suppliers in time The projected working capital requirement is on the basis of the FY 2021-22

## 2. General Corporate purposes

In terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the proceeds of the issue.

Our management will have flexibility in applying Rs.700.00 lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies etc or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company from time to time.

### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹60.00 lakhs. The expenses of this include, among others, underwriting and lead manager fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated issue expenses are as follows:

Activity	Estimated expenses (₹ in lakhs)	As a % of total estimated issue related expenses	As a % of Gross Issue Size
Lead Manger Fees including Underwriting Commission.	24.00	40.00	0.80
Brokerage, selling commission and upload fees	2.00	3.33	0.07
Registrar to the Issue	1.00	1.67	0.03
Legal Advisors	3.00	5.00	0.10
Advertising and marketing expenses	5.00	8.33	0.17
Regulators including stock exchanges	10.00	16.67	0.33
Printing and distribution of issue stationary	3.00	5.00	0.10
Others (Market Making fees etc.)	12.00	20.00	0.40
<b>Total estimated issue related expenses</b>	<b>60.00</b>	<b>100.00</b>	<b>1.99</b>

### Notes

- The fund deployed up to September 28, 2022 is Rs. 2.95 Lacs towards issue expenses out of internal cash accrual vide certificate dated September 28, 2022 having UDIN: 22153843AWAICQ6815 received from M/s B.K Chavda & Co., Chartered Accountants.
- Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs

ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular)	₹ 10 per application on wherein shares are allotted
Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them)	₹ 10 per application on wherein shares are allotted
Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank	₹10 per application on wherein shares are allotted
Sponsor Bank shall be payable processing fees on UPI application processed by them	₹ 5 per application on wherein shares are allotted

- No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them
- The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.
- Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

### **Interim use of Net Proceeds**

Our Company in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds pending utilization for the purposes described above, in accordance with the SEBI ICDR Regulations, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

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

### **Bridge Financing Facilities**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus which are proposed to be repaid from the Net Proceeds.

### **Appraisal Report**

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

### **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 Listing 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 Draft 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 Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly 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.

### **Variation in Objects**

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

None of our suppliers / service providers for utilization of Issue proceeds for various Objects of the Issue are associated in any manner with our Company or any other related party directly or indirectly.



No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Employees. Our Company has not entered into or is not planning to enter into any arrangement / agreements with Promoters, Directors, key management personnel, associates or Group Companies in relation to the utilization of the Net Proceeds of the Issue.

**Other Confirmation**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

## BASIS FOR ISSUE PRICE

The Issue Price of ₹45/- per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹10.00/- per Equity Share and Issue Price is ₹45/- per Equity Share. The Issue Price is 4.5 (Four Point Five) times the face value.

Investors should refer sections / chapters titled “*Risk Factors*”, “*Restated Financial Statements*”, “*Management Discussion and Analysis of Financial Condition and Results of Operations*” and “*Business Overview*” beginning on page 17, 102,125 and 67 respectively of this Draft Prospectus to get an informed view before making an investment decision.

The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

### Qualitative Factors

Some of the Qualitative Factors, which form the basis for computing the price are

- Experienced Promoter
- Quality Service
- High level of customer satisfaction
- Established relations with job work service providers and suppliers
- Existing client relationship
- Expand geographical reach

For further details, please refer to the paragraph titled “*Our Competitive Strengths*” in the chapter titled “*Business Overview*” beginning on page 67 of this Draft Prospectus.

### Quantitative Factors

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

#### 1) Basic and Diluted Earnings Per Share (EPS)

Year ended	Basic and Diluted EPS (Pre Bonus)	Weights	Basic and Diluted EPS (Post Bonus)	Weights
March 31, 2020	1.79	1	0.51	1
March 31, 2021	1.03	2	0.30	2
March 31, 2022	5.39	3	1.71	3
<b>Weightage Average EPS</b>		<b>3.34</b>		<b>1.04</b>

**Note.:** Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no of equity shares outstanding during the year as per restated financials.

#### 2) Price to Earnings (P/E) ratio in relation to Issue Price ₹45.00/- per Equity Share of ₹10.00/- each fully paid up

Particulars	P/E ratio (pre Bonus)	P/E ratio( post Bonus)
P/E ratio based on Basic and diluted EPS as at March 31, 2022	8.35	26.32
P/E ratio based on Weighted Average Basic and diluted EPS	13.49	43.27
<b>**Industry</b>		
Highest		46.13

Lowest	7.16
Average	26.65

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

Return on Net Worth (RoNW) as per restated financial statements (Standalone)

Year Ended	RONW (%)	Weight
March 31, 2020	6.00	1
March 31, 2021	3.35	2
March 31, 2022	12.63	3
<b>Weighted Average</b>		<b>8.43</b>

Note: Return on Networth has been calculated as per the following formula:

- 1) Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- 2) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

### 4) Net Asset Value (NAV)

Particulars	₹ per Share Pre Bonus
Net Asset Value per Equity Share as of March 31, 2022	39.70
Net Asset Value per Equity Share after IPO	23.03
Issue Price	45

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

$$\text{NAV} = \frac{\text{Net worth excluding revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year}}$$

### 5) Comparison with industry peers

At present there is no listed company in the field in which we are operating. Hence the comparison with industry peers is not available.

Companies	CMP	EPS	PE Ratio	RONW (%)	NAV (Per Share)	Face Value	Total Income (₹ in Laks)
Haru Worldwide Limited	45	5.63	8.35	12.63	39.70	10	27183.93
<b>Peer Group**</b>							
Vishal Fabrics Limited	25.27	3.49	7.16	21.22	16.94	5	154676.00
Orbit exports Limited	161.89	5.80	46.13	8.52	66.75	10	12310.70

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

#### Notes:

- a) Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above company is included for broad comparison.
- b) The figures for Haru Worldwide Limited are based on the restated standalone financial statements for the year ended March 31, 2022.
- c) The figures for the Vishal fabrics Limited is taken from the website of the Company [www.Vishalfabricsltd.com](http://www.Vishalfabricsltd.com) for the year ended March 31, 2022 and figures for the Orbit Exports Limited is taken from the website of the Company [www.Orbitexports.com](http://www.Orbitexports.com) for the year ended March 31, 2022.
- d) CMP of the peer group is as per the closing price as available on [www.bseindia.com](http://www.bseindia.com)

- e) *NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.*
- f) *P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on September 23,2022 sourced from website of Stock Exchange as divided by the Basic/diluted EPS as applicable.*
- g) *RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.*

For further details, please refer section titled “*Risk Factors*” beginning on page 17 of this Draft Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “*Restated Financial Statements*” beginning on page 102 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value is Rs.10.00/- per Equity Share and the Issuer Price Rs. 45.00/- has been determined by the Issuer in consultation with the Lead Manager and is justified by the company in consultation with the Lead Manager on the basis of above information.

## STATEMENT OF TAX BENEFITS

To,  
**The Board of Directors,**  
**HARU WORLDWIDE LIMITED**  
Office No. 308, Third Floor, Sukun Business Centre,  
Nr. Fairdeal House, Swastik Cross Road, C. G. Road,  
Ahmedabad, Gujarat-380009, India

Dear Sir,

**Sub: Statement of Possible Special Tax Benefits available to HARU WORLDWIDE LIMITED (“the Company”) and its shareholders prepared in accordance with the requirements in Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“SEBI ICDR Regulations”)**

We hereby report that the enclosed annexure, prepared by the management of the company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 read with Income Tax Rules, Circulars, Notifications (‘Act’) as amended by the Finance Act, 2022, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever-changing tax laws in India.

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

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

- A. The Company or its shareholders will continue to obtain these benefits in future; or
- B. The conditions prescribed for availing the benefits have been/would be met.
- C. The revenue authorities/court will concur with the views expressed herein

The contents of the enclosed annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views, consequence to such change. We shall not be liable to Company for 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 conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“Guidance Note”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

This report including enclosed annexure is intended for your information and for inclusion in the Draft Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

**For, B.K Chavda & Co.**  
**Chartered Accountants**  
**Firm Reg No: 125064W**

**Sd/-**  
**CA M. N. Chahwala**  
**Partner**  
**Mem. No: 153843**

**Place: Ahmedabad**  
**Date: September 28, 2022**  
**UDIN: 22153843AWAKJC1189**

## ANNEXURE

### **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

Outlined below are the possible special tax benefits available to Company and its shareholders under Tax Act 1961("the Act") presently in force in India.

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE ACT")**

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

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")**

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

#### **Note:**

- The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.
- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.*

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Prospectus, including the information in the sections "Risk Factors" and "Restated Financial Statements" on pages 17 and 102, respectively of the Draft Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 17 of the Draft Prospectus. Accordingly, investment decisions should not be based on such information.*

### INDIA ECONOMY

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

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 GDP is expected to grow at a strong rate of 7.4% in FY2022–23, the highest among major nations, according to International Monetary Fund (IMF). The IMF's prediction is supported by the strong performance of a few high-frequency indicators over the first four months of FY 2022–23. While the PMI manufacturing index reached an eight-month high in July 2022 with significant increases in the growth of new businesses and output, the index of industrial production and its eight core industries indicate a strengthening of industrial activity. The release of suppressed demand, the ease of mobility restrictions, and nearly universal vaccine coverage have helped the services sector, which was most negatively affected by the COVID-19 pandemic, become a significant growth engine.

the following key frequency indicators highlighted improved performances:

- Private consumption stood at 57.5% of the nominal GDP in FY 2021-22, indicating that it is becoming a macro growth driver.
- In July 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 51.1
- PMI Services remained comfortably in the expansionary zone at 55.5 in July 2022.
- Rupee strength reached Rs. 79.9/US\$, as of 29 August 2022.
- In FY 2021-22, India received a total of US\$ 58.77 billion in foreign direct investment.
- As of 19 August 2022, India's foreign exchange reserves stood at US\$ 564.05 billion.
- According to RBI Bank credit stood at Rs. 121.49 trillion (US\$ 1.52 trillion) as of 17 June 2022.
- Credit to non-food industries stood at Rs. 121.05 trillion (US\$ 1.51 trillion) as of 17 June 2022.



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

## OVERVIEW ON INDIAN TEXTILE INDUSTRY:

The Indian textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. India is the 6th largest exporter of Textiles & Apparel in the world. India's textiles and clothing industry is one of the mainstays of the national economy. The share of textile and apparel (T&A) including handicrafts in India's total exports stands at a significant 11.4% in 2020-21. India has a share of 4% of the global trade in textiles and apparel. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the capital intensive mill sector. The mill sector is the second largest in the world. Traditional sectors like handloom, handicrafts and small scale power loom units are the biggest source of employment for millions of people in rural and semi urban area. It provides direct and indirect employment and source of livelihood for millions of people including a large number of women and rural population. The sector has perfect alignment with Government's key initiatives of Make in India, Skill India, Women Empowerment and Rural Youth Employment.

In keeping with goal of making India's development inclusive and participative, the Government's central focus has been on increasing textile manufacturing by building the best-in-class manufacturing infrastructure, up gradation of technology fostering innovation, enhancing skills and traditional strengths in the textile sector. Some of the major initiatives and highlights are listed below:

### Functions & Organisational Set-up:

The Ministry of Textiles is responsible for policy formulation, planning and development of the Textiles Industry. The Ministry is headed by Union Minister of Textiles a Secretary who is assisted by Hon'ble Minister of State for Textiles, Secretary (Textiles) and other Senior Officers of the Ministry.

### Vision:

To achieve a pre-eminent global standing in manufacture and export of all types of textiles including technical textiles, jute, silk, cotton and wool and develop a vibrant handlooms and handicrafts sector for sustainable economic development and promoting and preserving the age old cultural heritage in these sectors.

### Mission:

- To promote planned and harmonious growth of textiles by making available adequate fibers to all sectors.
- To modernise the industry through technological upgradation
- To develop capacity and skills of all textile workers
- To ensure proper working environment and easy access to health care facilities and insurance cover to weavers and artisans to achieve better quality of life.
- To promote exports of textiles and clothing and handicrafts and increase India's share of world exports in these sectors.

### Exports:

India is the 6th largest exporter of Textiles & Apparel in the world. The share of textile, apparel and handicrafts in India's total exports was 11.4% in 2020-21. India holds 4% share of the global trade in textiles and apparel.

India's textiles products, including handlooms and handicrafts, are exported to more than 100 countries. USA and EU-27 and UK, account for approximately 47% of India's textiles and apparel exports. The sector holds importance from the employment point of view as well. It provides direct and indirect employment and source of livelihood for millions of people including a large number of women and rural population.

### Export details of Textiles & Apparel are as under:

Year/ Description	Values in Mn USD						
	2018-19	2019-20	2020-21	CGAR	2020-21 (Apr- Dec)	2021-22 (Apr-Dec) (Provisional)	% Change

India Textile & Apparel	36,558	33,379	29,872	-9.6%	20011	30450	52%
Handicrafts	3,804	3,564	3,443	-4.9%	2377	3323	40%
Total T&A including Handicrafts	40,362	36,943	33,315	-9.1%	22388	32029	43%
India's overall exports	3,30,078	313,361	2,91,808	-6.0%	201380	305046	51%
%T&C Exports of overall exports	12.2%	11.8%	11.4%		11.1%	10.5%	

- During 2020-21, Readymade Garments (RMG) accounted for almost 37% of the total textile and clothing exports. Apart from this, major contributing segments in export are Cotton textiles (33.4%), Man-made textiles (12.5%), Carpet (4.5%) and Handicrafts excluding handmade carpets (5.7%).
- Exports of textile and Apparel products including handicrafts from India have decreased to US\$33.3 billion during the year 2020-21 from US\$ 36.9 billion during 2019-20, registering negative growth of 9.8%. The decline in exports has been mainly due to the ongoing global slowdown, which got aggravated due to the Covid-19 crisis. The latter resulted in large scale disruptions in supply chains and demand resulting in cancellation of orders. Other main reason for decline is differential tariff disadvantage to Indian textiles vis a vis competing nations like Bangladesh, Sri Lanka, Pakistan and Turkey in EU markets.
- The signs of recovery are visible during 2021-22. In Apr-Dec'21 (Provisional), total textile and apparel (T&A) exports is US\$ 30.45 bn as compared to US\$ 20.01 bn for the same period of last year. Growth of 52% signals an economic rebound.

#### Imports:

- India is a textile and apparel exporting country and enjoys huge trade surplus.
- Bulk of import takes place for re-export or for industrial requirement of raw material.
- Import of textiles and apparel products by India during April-Dec' 21 (provisional) has increased by 53% in comparison to corresponding period of 2020-21.

Year/Description	2018-19	2019-20	2020-21	2020-21 (Apr- Dec)	2021-22 (Apr-Dec) (Provisional)
T&A Imports including handicrafts	7,549	8262	5,873	3,933	6,006
Change over same period in previous year		9.4%	29%		53%

#### Steps taken for enhancing exports:

Following steps are being taken by Government to enhance export:

**Rebate of State and Central Taxes and Levies (RoSCTL):** The scheme of Rebate of State and Central Taxes and Levies effective from March 2019 has been continued till 31<sup>st</sup> March 2024 for exports of Apparel/Garments (chapter 61 & 62) and made-ups (Chapter 63).

**Remission of Duties and Taxes on Exported Products (RoDTEP):** Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) has been notified by Department of Commerce for reimbursement of Central, State and local level taxes/duties/levies, which are incurred in the process of manufacture and distribution of exported textile products covered under chapter 50-60. This will lead to cost competitiveness of exported products in international markets and better employment opportunities in export oriented manufacturing industries. The scheme is going to give boost to the domestic industry and Indian exports providing a level playing field for Indian producers in the International market so that domestic taxes/duties are not exported.

**Production-Linked Incentive (PLI) Scheme:** The Government has launched Production Linked Incentive (PLI) Scheme for Textiles, with an approved outlay of Rs 10683 crore over a five year period, to promote production of

MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country to enable Textile sector to achieve size and scale and to become competitive. The Scheme has two parts; Part-1 envisages a minimum investment of Rs.300 crore & minimum turnover of Rs.600 crore per company; and Part-2 envisages a minimum investment of Rs.100 crore & minimum turnover of Rs.200 crore per company. There will be two years of gestation period under the Scheme (FY: 2022-23 and FY:2023-24). The incentive will be provided to the companies under the scheme on achieving the threshold investment and threshold turnover and thereafter incremental turnover.

#### **Other Initiatives:**

**Participation in World Expo Dubai:** Dubai World Expo 2020 which was inaugurated on 01.10.2021 in Dubai, UAE and would be continuing till 31.03.2022 is a global event. The Expo gives an opportunity in establishing stronger and constructive bonds among the textile manufacturers, investors, buyers, and Indian Government, thus opening new avenues of growth of the textile sector. The event also gives a centre stage of showcasing the unique cultural heritage and richness of Indian Textile Industry at the Global stage. Indian pavilion has the theme of Openness, Opportunity, and Growth.

#### **Export Promotion Councils:**

There are eleven Exports Promotion Councils (EPCs) representing various segments of the textiles & apparel value chain, viz. fiber, yarn, fabric, readymade garments of cotton, silk, jute, wool etc. These Councils work in close cooperation with the Ministry of Textiles and other Ministries to promote growth and export of their respective products/sectors in global markets.

#### **Activities of EPCs:**

- Participation international fairs/ exhibitions and standalone shows in India and overseas markets to showcase Indian textiles to enhance exports and access new markets.
- Publishing Newsletter by respective EPCs.
- Providing latest information on markets, policy developments/initiatives, news relating to exports, Government Notifications, overseas trade inquiries, fashion & technology developments.
- Setting targets and goals for current as well as short term/long term future. Further they are involved in formulating strategy for fulfilment of export goals.

**(Source: Ministry of Textile, Annual Report 2021-22)**

The Commodity Divisions of Department of Commerce have held regular review meetings with the concerned EPCs under their jurisdiction.

Thus, notwithstanding the challenges posed by successive waves of Covid, India's merchandise trade performance has shown impressive growth and exports remained above USD 30 Billion for eleven consecutive months (likely to be twelve consecutive months at the end of March) during April to February wherein December 2021 in particular recorded the highest ever monthly merchandise exports recorded at USD 39.3 billion.

Engineering goods exports have gone up by nearly 50% vis-à-vis last year. Higher engineering exports, apparel and garment export, etc. indicate that the misconception of India being a major exporter of primary commodities is gradually changing. We are now exporting more and more value added and high end exports and this effort by our technology driven industries should continue. Export of Cotton Yarn/Fabrics/Made-ups, Handloom Products etc, Gems and Jewellery, Other Cereals and Man-Made Yarn/Fabrics./Made-up etc. have registered a growth rate between 50%-60%.

Agriculture sector has made noteworthy progress, especially during the pandemic, with India emerging as a major global supplier of food / essential agriculture products. Agriculture exports buoyancy is driven by commodities such as rice (both basmati and non-basmati), marine products, wheat, spices and sugar, among others, recording the highest ever agricultural products export in 2021-22.

Till 21st March 2022, Australia, Taiwan, Korea Rp, Bangladesh Pr, Poland, Brazil, Indonesia, Belgium, Saudi Arab, Turkey, Italy, Japan, Canada, U S A, South Africa, Netherland, Nigeria, Egypt and Mexico are the major countries which have achieved more than the export target. The Major Countries Thailand, Israel, Nepal, Vietnam Soc Rep, China, France and Sri Lanka Dsr which have achieved between 90% to 100% of total export target.

Till 21st March 2022, Organic & Inorganic Chemical, Other Cereals, Petroleum Products, Cotton Yarn/Fabrics/Made-ups, Handloom Products Etc., Mica, Coal and Other Ores, Minerals Including Process, Engineering Goods and Plastic and Linoleum are the major Commodities which have achieved more than the export target.

The Major Commodities Rice, Marine Products, Jute Mfg. Including Floor Covering, Carpet, Cereal Preparations and Miscellaneous Processed Item, Electronic Goods, Coffee, Gems And Jewellery and Handicrafts Excl. Hand Made which have achieved between 90% to 100% of the total export target.

The government has been working round the clock to provide a conducive environment and infrastructure for our industry and exporters to enhance their export performance. Policies and schemes aligned with the goal are being introduced and implemented for their benefit.

The smooth roll out of RoDTEP and ROSCTL even in the midst of the pandemic reflects the strong resolve of the government to walk the talk. The Interest Equalisation Scheme has been extended to exporters and is likely to benefit a large number of MSME exporters.

(Source :<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1808831>)

## **ICT INITIATIVES IN TEXTILES:**

### **Digital Readiness in Ministry of Textiles:**

The Ministry of Textiles has been actively promoting the Digital initiatives of Government of India, the objective of the digital India programme is to ensure that government services are transparent, easily accessible to citizens. The IT division of the ministry is actively working towards improvement of network infrastructure and making the IT application systems available on high speed broadband. Most of the applications are hosted on National cloud services(MeghRaj). Most of the schemes and services of the ministry and its organisations are accessible to citizens anytime anywhere.

NIC-Textiles Informatics Division is providing technical and functional support to the ministry and its subordinate/attached offices. It is responsible for the development, implementation, maintenance and co-ordination in hosting of websites and ensures their 24x7 availability. They also facilitate access to various on-line e-governance services on cloud, developing/ deploying of various application systems, providing network support services and maintaining the ICT infrastructure.

### **Website Management:**

The Content Management Framework (CMF) based website of the Ministry of Textiles, office of DC(Handicrafts), DC(Handlooms) were made compliant with GIGW (Guidelines for Indian Government Website) guidelines, making it compatible with multiple mode of accessibility, accessible to visually impaired persons with bilingual support. The Content Management System(CMS) is in place to ensure the timely web updation for the website by the concerned officials / divisions.

### **National Textile Corporation Ltd.:**

National Textile Corporation Limited, (NTC) is a schedule "A" public sector company under the ambit of Ministry of Textile, Government of India, engaged in production of yarn and fabric through its 23 mills in operation, located all over India with 7.68 lac spindles and 408 looms producing around 550 lac kgs of yarn and 200 lac meters of fabric per annum. NTC also manufactures garments through its JV Companies. In addition National Textile Corporation

has well established retail network throughout the country with its 85 retail stores. The current employee strength is 10449. The present net worth of the NTC is Rs. 920.10 crores Approx.(Provisional).

National Textile Corporation Ltd. (NTC) was established primarily to manage the affairs of the sick textile undertakings taken over by the Govt. of India in three Nationalization Acts in the years 1974;1986; and 1995. On account of obsolete technology; excess manpower; poor productivity, etc. 8 of its9 subsidiaries were referred to BIFR in the year1992-93. The BIFR approved Revival Schemes for all the 9 subsidiaries – 8 of them in the year2002-03 and 9th in the year 2005. The Company has been implementing the Revival Scheme since then. The original Sanctioned Scheme (SS-02) of2002-03 was to be implemented at a total cost ofRs.3937 crores with a component of Rs.736 crores allocated towards modernization of 53 mills.

Performance of NTC during last 5 years :-

**Production:**

Product	2016-17	2017-18	2018-19	2019-20	2020-21* (Unaudited)
Yarn (Lakh Kg.)	521.95	527.81	505.95	410.84	17.83
Fabric (Lakh Mtrs)	201.81	191.58	190.06	88.88	1.31

**Capacity Utilization**

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21* (Unaudited)
Capacity Utilization (%)	84.81	87.61	85.38	75.82	52.64

**Productivity**

Parameters	Unit	2016-17	2017-18	2018-19	2019-20	2020-21* (Unaudited)
Cotton Productivity (40's converted)	GSM	93.05	93.17	93.28	94.77	91.91
Blend Productivity (40'sconverted)	GSM	94.84	95.89	96.66	99.21	103.37

**Turnover**

Parameters	Unit	2016-17	2017-18	2018-19	2019-20	2020-21* (Unaudited)
Revenue from operations	Rs. Cr.	1168.50	1066.27	1081.85	850.42	148.91

**Parameters**

Parameters	Unit	2016-17	2017-18	2018-19	2019-20	2020-21* (Unaudited)
Cash Profit/(Loss) of 23 working mills	Rs. Cr.	(135.12)	(170.44)	(163.93)	(215.84)	(210.18)
Net Profit / (Loss) (NTC as a whole)	Rs. Cr.	969.38	(307.95)	(310.22)	(350.11)	(315.50)

\*Mills were non-operational due to lockdown.

(Source: Ministry of Textile, Annual Report 2021-22)

## **BUSINESS OVERVIEW**

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled “Risk Factors” on page 17 of this Draft Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section title “Risk Factors” and the chapters titled “Restated Financial Statement” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page no 17, 102 and 125 of this Draft Prospectus.

In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us”, “Our” and “Haru” are to M/s. Haru Worldwide Limited. Unless stated otherwise, the financial data in this section is as per our Restated Financial Statements prepared in accordance with Indian Accounting Policies set forth in the Draft Prospectus.

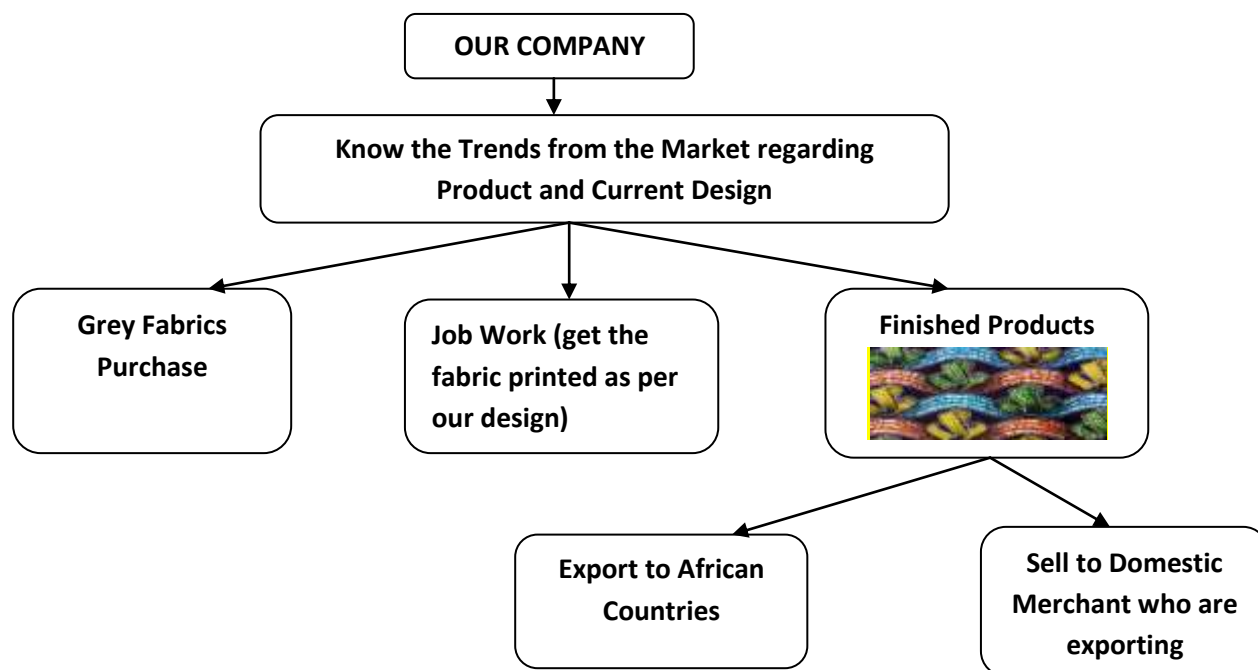
### **OVERVIEW**

#### **Company Background**

Our Company was originally incorporated as ‘BRR Udhyog Private Limited’ as Private Limited Company under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated January 05, 2016 bearing Corporate Identification Number U51909GJ2016PTC085610 issued by the Deputy Registrar of Companies, Gujarat. The name of the Company was changed to “Haru Worldwide Private Limited” and a fresh certificate of Incorporation was issued on June 02, 2022 by the Registrar of Companies, Ahmedabad. Subsequently, our Company was converted in to a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on July 08,2022 and consequently the name of our company was changed to “Haru Worldwide Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated July 25,2022. The CIN of the Company is U51909GJ2016PLC085610.

Our Company was incorporated in the year 2016 and the promoters of our Company are Mr. Anil Runthala and Ms. Harsha Sharma who have an experience of about decades in textile industry. They have a wide experience in textile industry and have been instrumental in determining the vision, growth and strategies for our Company. We believe that our market position has been achieved by adherence to the vision of our Promoters and well supported by qualified &experienced management at different levels with appropriate functional responsibilities.

Our Company is engaged in the business of trading printed fabrics, kaftan and Voil which we process through established job work arrangements and trading of Agriculture products. The Company policy was to make the quality product and deliver the product on time. Initially the Company was buying the grey fabrics from the Triupur and hand over to the printers in the Jetpur to get it printed as per our design and requirements. However the Grey fabrics purchased from various suppliers are hand over to printers for the printing work and any report regarding shrinkage and less weight in the grey fabrics create dispute between the suppliers. In order to avoid such problems and for smooth running, the Company had decided to get the printed finished fabrics from the Job Workers after supplying grey fabric from triupur. The Grey fabric supplier send the grey fabric to the printer on our behalf and payment was made by us. The designs are supplied by the Company after getting feedback from the market regarding the current trend and future demand of particular designs to the printer. The grey fabric which company is purchasing is above 140 to 190 GSM.



Our Promoters are experience in textile business on account of family business and having knowledge of manufacturing, marketing and finance.

We focus on smooth processing and quality of our product to increase our customer satisfaction and develop a positive brand image in the industry. Our management team have enable us to maintain good customer relations and ensuring order flows. Promoters having experience in industry has maintained close relations with our suppliers and tries to strengthen the same.

The company has expanded the business in the year 2017-18 our company have opened branch office in Ludhiana and started trading of knitted clothes which we process through established job work arrangements and gradually started trading of readymade Garments in the domestic as well as international market. Initially we buy yarn and get it processed with third parties, In order to maintain the quality and smooth delivery of goods the promoter have set up factory with known brand machines for knitting and dyeing under one roof and started manufacturing of T-shirts (Round, V-neck and Polo T-shirt), Track Pants, Hoodies and body warmers.

In the FY 2020-21 the spread of Covid -19 has been hard-hitting for apparels and knitwear industries in Ludhiana due to migration of labor, order cancellation, unavailability of raw material, etc which had affected our company due to which promoter has taken a decision to shut down the factory and diversify the business and restarted trading in Agriculture products and in new field of Bullion trading in 2021-22.

### **COVID-19**

The company has expanded its business in domestic as well as international market, we are exporting the fabrics via water ways. Due to Covid -19 pandemic the export segment is highly affected, there were shortage of containers, due to unavailability and reduction in the number of workers, and the rise in fare of containers. Usually, it takes approx. 35-40 days for a container to reach the destination but during Covid -19 pandemic period it took approx. 100 days to reaches the destination due to which lots of working capital was blocked and rise in fare price result into increase of cost and thereby reducing the profit margin. During COVID 19 promoter realised that dependence on one product effect the financial position of the company in the adverse scenario. The company had restarted trading of Agriculture product like wheat, Pearl Millet (Bajra), Castor Seed, Muster, and started business of bullion which later proven a key to diversify a new segment. After being severely hit by COVID -19 pandemic company export growth is expected to rebound in the upcoming years.

The financial performance of the company for the last three years as follow:

(₹ in Lacs)

Particulars	2021-22	2020-21	2019-20
Total Income	27183.93	10632.06	10022.86
EBDITA	660.00	106.42	118.76
Profit Before Tax	356.08	57.28	98.07
Profit After Tax	250.66	41.34	77.07

At present, we cater to domestic markets as well as international markets. The breakup of revenue for Fiscal 2022, Fiscal 2021 and Fiscal 2020 on the basis of Domestic Sale and Export Sale are stated as below:

(₹ in Lacs)

Particulars	2021-22	%	2020-21	%	2019-20	%
Domestic Sale	27,146.80	100.00	6770.83	64.30	9144.93	92.14
International Sale	0.00	0.00	3758.51	35.70	780.32	7.86
<b>Revenue from Operations</b>	<b>27,146.80</b>	<b>100.00</b>	<b>10,529.34</b>	<b>100.00</b>	<b>9925.25</b>	<b>100.00</b>

Segmental break-up of our Revenue from Operation is as under:

(₹ in Lacs)

Particulars	2021-22	2020-21	2019-20
Bullion	4421.56	0.00	0.00
Agriculture	18543.12	0.00	327.86
Textile	4182.13	10529.34	9597.41
<b>TOTAL</b>	<b>27146.80</b>	<b>10529.34</b>	<b>9925.26</b>

## OUR PRODUCTS:

We provide high quality Polyester Fabrics and garments that is highly acknowledged in the markets. There are total 2 main product of our business such as: -

### 1. Fabric: -



### 2. B2B African Print Textiles





**Super Wax:** We have made our first fabric batch of what would become known as ‘Super Wax’. This fabric is HARU’s utmost prevalent fabric still high in demand. By using highly sophisticated printing of which is just unique in world, each piece of Super Wax is crafted with unparalleled and exquisite level of caution and accuracy.

### 3. Kaftan:



**Kaftan** is normally made of cotton brocade, lace, or synthetic fabrics, these robes are common throughout West Africa. Kaftans are lightweight dresses that hang loosely on the body. Every piece of kaftan has to pass through by about multiple steps to give attractive wonder of printing with its smallest details of design. HARU offer huge selection of designs with top most kaftan quality.

### 4. Voile:



**Voile** is a delicately, utter fabric, usually made of 99% cotton or cotton blended with linen or polyester. The fabric is mostly used in soft furnishing because of lightweight. Every piece of voile has to pass through by about multiple steps to give captivating wonder of printing with its smallest details of design. HARU offer huge selection of designs with topmost Voile quality.

## OUR COMPETITIVE STRENGTHS:

### *Experienced Promoter*

The Promoter of our Company has significant in depth knowledge of the various products traded by the Company and has been instrumental in the consistent growth of our Company’s performance. They have an overall experience of more than decade in the trading segments of textile industry. We believe that our promoter’s experience and their understanding of the business will enable us to continue to take advantage of both current and future market opportunities.

### *Quality Service*

We believe in providing quality and timely service to our customers. We have set very high standards for ourselves when it comes to timelines and quality of service we provide to our customers. The stringent systems ensure that all the products reach our customers on stipulated time and there are minimum errors to ensure reduced product rejection. We believe that our quality service has earned us a goodwill from our customers, which has resulted in customer retention and order repetition. It has also helped us to add to our existing customer base. We have developed internal procedure of checking the client orders at each stage from customer order to delivery. Our company focuses on maintaining the level of consistency in our service, thereby building customer loyalty for our Brand.

#### ***High level of customer satisfaction***

Our customers are highly satisfied with our services from purchase order to quality to delivery to customer complain redressal mechanism. We have been able to achieve this customer satisfaction with the help of timely deliveries, ease of placing orders, and our stellar customer services, this has helped in creating a customer base.

#### ***Established good relations with job work service providers and suppliers***

Our Company is engaged in the business of trading of textile products. Our company has developed and established relations with the job workers for getting uninterrupted services. We believe that by establishing such relations our company can ensure a steady and uninterrupted supply of designed fabrics to our customers. We believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of materials. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn has enabled us to generate repeat business.

#### ***Existing client relationship***

We believe in constantly addressing the customer needs for variety of our products. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long term working relationship with our customers and improve our customer retention strategy. We have strong existing client relationships which generates multiple repeat orders. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

#### ***Expand geographical reach***

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

### **OUR BUSINESS STRATEGY:**

#### ***Improving operational efficiencies***

Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result of these measures, our company will be able to increase its market share and profitability.

#### ***Asset light Model***

Our Company intends to maintain an asset light model, i.e. instead of setting up its own manufacturing infrastructure and assets, our company intends to continue to avail the services of the job worker for the manufacturing/processing of fabrics. Our company believes that setting up its own manufacturing unit will not only involve intensive capital investment but also regular maintenance expenses which will require additional working capital. The asset light model adopted by our company will enable us to utilize the working capital towards the operating activities, i.e. to fund our credit sales which in turn will lead to an increased turnover and profitability.

### ***Enhance customer base by entering new geographies to establish long-term relationships***

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

### ***Develop cordial relationship with our Suppliers, Customer and employees***

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over number of years. We bag and place repetitive order with our customers as well as with our suppliers respectively. For us, establishing strong, mutually beneficial long-term relationships and strategic supplier relationship management are critical steps in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop. We have dedicated, efficient and satisfied team of employees.

### ***Leveraging our Marketing skills and Relationships***

This is a continuous process in our organization and the skills that we impart in our people to give prime importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers base by supplying orders in hand on time, maintaining and renewing our relationship with existing clients.

### ***Focus on dealing in quality standard products***

Quality of the product is very important for the company from both customer point of view and growth point of view. Our Company is focused on dealing in the products which meets with the requisite quality standards as per the applicable regulatory norms. Providing the desired and good quality products help us in enhancing our Company's image and maintaining long term relationships with customers.

### ***Diversification***

During COVID 19 promoter realised that dependence on one product effect the financial position of the company in the adverse scenario. We also believe in well organised diversification of business so that the dependence on one segment doesn't effect the financial position. Our company has also restarted trading in agriculture products and ventures into bullion trading

### **RAW MATERIAL:**

The main raw material required for Textile sector is the Grey Fabric which we get easily from the suppliers with whom we are dealing since number of years. The agricultural products and bullion are also easily available from the open market.

### **The % of top 10 Buyers and Suppliers of Our Company are as under:**

(in ₹ Lacs)

Particulars	Purchase / Sales					
	2021-22	%	2020-21	%	2019-20	%
Top 10 Buyers	6120.73	22.55	9816.97	100.00	5084.07	50.84
Top 10 suppliers	29277.81	99.31	9408.38	91.41	4581.36	52.49

### **CAPACITY UTILIZATION:**

As we do not have any own manufacturing facility and we are mainly engaged in trading business, thus any specific data relating to capacity and capacity utilization does applicable to our Company.

### **PLANT & MACHINERY:**

As on date of this Draft Prospectus, Our Company does not possess any plant & machinery.

### **INFRASTRUCTURE FACILITIES:**

#### **Location**

#### **Registered Office:**

Office No. 308, Third Floor, Sukun Business Centre, Nr. Fairdeal House, Swastik Cross Road, C. G. Road, Ahmedabad-380009, Gujarat, India.

#### **Water:**

Water is required for the drinking and fire purpose. Water supply requirement is being fulfilled through water supplied by our municipal corporation only.

#### **Power:**

Our Registered Office has power connection of 10.00 KW from Torrent Power Limited. As on date of this Draft Prospectus our Company does not require much power supply and power failure does not affect the business of our Company.

### **HUMAN RESOURCES:**

Human resource is an asset to any industry, sourcing and managing is very important task for the management. We believe that our employees are the key to the success of our service.

As on August 31, 2022, we have the total strength of permanent employees 9 in various departments. The details of which is given below:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Employees</b>
1)	Management Team	2
2)	Account Department	2
3)	Export Executive	1
4)	Office Staff	1
5)	Marketing Department	2
6)	Manager	1
	<b>Total</b>	<b>9</b>

### **COLLABORATIONS/TIE UPS/ JOINT VENTURES:**

As on date of this Draft Prospectus, our Company has not entered into any Collaboration/ Tie-Ups/ Joint Ventures.

### **EXPORT OBLIGATION:**

As on date of this Draft Prospectus, Our Company does not have any export obligation.

### **SALES AND MARKETING:**

The marketing strategy of the Company is the combination of direct marketing, identifying sales opportunities to existing and prospective clients. Conversation with manufacturers on an individual basis, all the year round is part of the strategy. Our company has always focused on meeting the customer's requirement in the most efficient way by offering them quality products, reasonable price, just in time delivery. We support our marketing efforts by maintaining regular contacts and meetings.

**Our Marketing Strategies:**

We intend to focus on following marketing strategies:

1. Focus on expanding Business at International Level
2. Continuously holding market trends
3. Supply of Quality Products
4. Fulfillment of Order in a timely manner
5. Adapting to market dynamics

**COMPETITION:**

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

**INTELLECTUAL PROPERTY RIGHTS:**

Our company uses the unregistered logo for its corporate communications:	
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**Details of Immovable Property:**

The details of the Immovable properties owned by company are given below:

Particulars	Details
Name of seller	Keshav Holiday Resort Private Limited
Description of Property	Survey/Block No. 525 (Old Survey/Block No. 181 paiki) Mouje Rupavati ,Taluka, Sanand, District-Ahmedabad, Gujarat
Date of sale deed	November 25,2020
Consideration	Rs. 4,13,89,200/- (inclusive of Registration and Stamp duty fees)
Usage	Open land for future planning
Area (Approx)	5968.9 Sq. Mtrs

Particulars	Details
Name of seller	Keshav Holiday Resort Private Limited
Description of Property	Survey/Block No. 529 (Old Survey/Block No. 183 paiki) Mouje Rupavati ,Taluka ,Sanand, sub-district –sanand , District-Ahmedabad ,Gujarat,India
Date of sale deed	November 25,2020
Consideration	Rs. 4,20,67,940/- (inclusive of Registration fees and Stamp duty )
Usage	Open land for future planning
Area (Approx)	6067 Sq. Mts

Particulars	Details
Name of seller	Keshav Holiday Resort Private Limited
Description of Property	Survey/Block No. 530 (Old Survey/Block No. 184 paiki) Mouje Rupavati, Taluka Sanand, sub-district –sanand, District-Ahmedabad, Gujarat, India
Date of sale deed	November 25,2020
Consideration	Rs. 2,24,46,760/- (inclusive of Registration fees and Stamp duty )
Usage	Open land for future planning
Area (Approx)	3237 Sq. Mts

#### Insurance

Particulars	Details
Name of the Insurance Company	SBI General Insurance company Limited
Name of Insured	BRR UDHYOG PVT LTD **
Policy No	0000000027578886
Type of Policy	SBI General Bharat Laghu Udyam Suraksha Policy
Validity Period	12/03/2022 (00:00Hrs) to 11/03/2023 Midnight
Premium Paid (Rs)	Rs. 2,11,997/-
Sum Insured	Rs. 125,000,000/-
Items Insured	Stocks (Cloth Processing units situated outside the compound of Textile mills and Cloth processing units which are not owned by the textile mills but are situated within the textile mills complex/com pound.)
Insured Address	1. Block No E Shyamjyot Estate Saurin Shah Narol,Ahmedabad - 382405 2. 15/3 Safalya Society Rakesh Govindbhai Rathod ,Ahmedabad - 382443 3. Sakina Contractor Siraj Nagar Nr Surya Nagar, Ahmedabad - 382443

Particulars	Details
Name of the Insurance Company	SBI General Insurance company Limited
Name of Insured	BRR UDHYOG PVT LTD **
Policy No	0000000027578957
Type of Policy	SBI General Bharat Laghu Udyam Suraksha Policy
Validity Period	From 12/03/2022 (00:00Hrs) To 11/03/2023 Midnight
Premium Paid (Rs)	Rs. 2,16,358/-
Sum Insured	Rs. 150,000,000/-
Items Insured	Stocks (Storage of Category I hazardous Goods subject to warranty that goods listed in Category II, III, Coir waste, Coir fibre and Caddies are not stored therein. (Materials stored in Godowns & Silos)
Insured Address	Shiv Shakti Market, 20, 137 Bus Stand Road Nr Maya Dabeli, Ahmedabad, Gujarat-380024.

Particulars	Details
Name of the Insurance Company	SBI General Insurance company Limited
Name of Insured	BRR UDHYOG PVT LTD **
Policy No	0000000022736420-01
Type of Policy	Burglary Insurance Policy (Stocks)
Validity Period	From 12/03/2022, 18:43 To 11/03/2023 Midnight
Premium Paid (Rs)	Rs. 35,400/-
Sum Insured	Rs. 150,000,000/-
Items Insured	Transport and storage/Warehousing non refrigerated - mid fire hazard

<b>Insured Address</b>	Shiv Shakti Market, 20, 137 Bus Stand Road Nr Maya Dabeli, Ahmedabad - 380024.
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<b>Particulars</b>	<b>Details</b>
<b>Name of the Insurance Company</b>	SBI General Insurance company Limited
<b>Name of Insured</b>	BRR UDHYOG PVT LTD **
<b>Policy No</b>	0000000022736523-01
<b>Type of Policy</b>	Burglary Floater Insurance Policy (Stock)
<b>Validity Period</b>	From 12/03/2022 18:42 To 11/03/2023 Midnight
<b>Premium Paid (Rs)</b>	Rs. 29,500/-
<b>Sum Insured</b>	Rs. 125,000,000/-
<b>Items Insured</b>	Manufacturing/Finishing of cotton and blended cotton textiles.
<b>Insured Address</b>	<ol style="list-style-type: none"> <li>1. Shyamjyot Estate, Block No E, Saurin Shah, Ahmedabad - 382405</li> <li>2. Safalya Society,15/3, Rakesh Govindbhai Rathod, Samratnagar, Ahmedabad - 382443</li> <li>3. Siraj Nagar, Sakina Contractor, Nr Surya Nagar, Nr Suryanagar, Ahmedabad - 382443</li> </ol>

\*\* Insurance policy registered with company previous name BRR UDHYOG PVT LTD

## **KEY INDUSTRY REGULATIONS AND POLICIES**

The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain.

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page 140 of this Draft Prospectus. The following description is a summary of the few relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India.

- **INDUSTRY SPECIFIC REGULATIONS**

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

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951.

The Central Government has vide its notification numbering 1702(E) dated June 1, 2020 amended the definition of MSME which has come into effect from July 1, 2020.

The revised definition is as under:

- I. a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one Crore rupees and turnover does not exceed five Crore rupees;
- II. a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten Crore rupees and turnover does not exceed fifty Crore rupees; and
- III. a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty Crore rupees and turnover does not exceed two hundred and fifty Crore rupees.

The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council. The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

- **Laws relating to Specific State where establishment is situated**

### **The Gujarat Shops and Establishments act of 1948**

The Gujarat Shops and Establishments act of 1948, takes a holistic approach while dealing with Shops and Establishments, it takes into consideration of every situation wherein the employer is placed, thus accordingly designing the provisions for him/her to smoothly run his/her establishment. It also takes into its view sight the conditions of the employees and it makes an attempt to safeguard their rights. Thus all in all the Gujarat Shops and Establishments act is a very balanced legislation that takes into consideration the rights and conditions of both the employer and the employee.

### **The Gujarat State Tax on Professions, Traders, Callings and Employments Rules, 1976**



The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of Gujarat promulgated this law to structure and formulate the respective professional tax criteria and to collect funds through professional tax. The professional tax is charged on the income of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. 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. Every person liable to pay tax under this Act (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

Pursuant to Notification No. (GHN-10)PFT-2008-S.3(2)(3)-TH, issued by the Finance Department of Sachivalaya, Gandhinagar, dated 01.04.2008, the Government of Gujarat have specified the rates in column 3, 4 and 5 of the schedules of the Act, as minimum rates which shall be levied by the respective Designated Authorities for the class of person specified in column 2 of schedule of the Act.

### **Professional Tax**

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 taxes are 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. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

- **General Laws**

### **Competition Act, 2002 (“Competition Act”)**

The Competition Act, 2002 aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“**Competition Commission**”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

### **The Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 (Ninety Eight) Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 (One Eighty-Three) Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry

of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

### **The Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

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

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

### **The Trade Marks Act, 1999**

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trademark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

### **The Patents Act, 1970**

The Patents Act, 1970 (“**Patents Act**”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

### **The Copyright Act, 1957**

The Copyright Act, 1957 (“**Copyright Act**”) governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings. Once registered, copyright protection of a work lasts for a period of sixty years from the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public,

performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which amounts to an infringement of copyright.

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

The purpose of the 1996 Act is to amend and unify domestic arbitration and international commercial arbitration and enforce foreign arbitral awards. The law was also amended in 2015 and 2019 to reduce court involvement in the arbitration. Section 89 of the Civil Procedure Code focuses on the importance of arbitration.

- **TAX RELATED LEGISLATIONS**

### **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. The IT Act provides for taxation of person resident in India on global income and person not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its Return by September 30 of each assessment year.

### **Goods & Service Tax (“GST”)**

Gujarat Goods and Services Tax Act, 2017  
Central Goods and Services Tax Act, 2017  
The Integrated Goods and Services Tax Act, 2017

Goods and Services Tax (GST) is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST shall be levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax- UTGST). The Parliament would have exclusive power to levy GST. (Integrated tax - IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122<sup>nd</sup> Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. Besides, some goods and services would be under the list of exempt items.

### **The Customs Act, 1962 and the Private Warehouse Licensing Regulations, 2016**

The provisions of the Customs Act, 1962, as amended (the Customs Act) apply at the time of import or export of goods. Under the Customs Act, the Central Board of Excise and Customs (CBEC) is empowered to appoint, by notification, inter alia, ports or airports as customs ports or customs airports and places as the Inland Container Depot (ICD). Section 45 of the Customs Act lays down that all imported goods unloaded in a customs area shall remain in the custody of the person approved by the Commissioner of Customs until they are cleared for home consumption or warehouse or transshipped. The said Act contains provision for levying the custom duty on imported goods, export goods, goods which are not cleared, goods warehoused or transshipped within 30 days after unloading etc. It also provides for storage of imported goods in warehouses pending clearance, for goods in transit etc., subject to prescribed conditions.

The Private Warehouse Licensing Regulations, 2016 (the Warehouse Licensing Regulations) provides for the licensing of private warehouses by the principal commissioner of customs or the commissioner of customs. The Warehouse Licensing Regulations lay down the conditions to be fulfilled for an applicant to be granted a license and also provide for the term of the license, its non-transferable nature and the procedure for its surrender.

- **FOREIGN INVESTMENT RELATED LAWS AND REGULATIONS**

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) read with the applicable FEM Rules. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The DIPP (now DPIIT) makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEM Rules. In case of any conflict, the FEM Rules prevail. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DIPP (now DPIIT) issued the FDI Policy which consolidates the policy framework on FDI issued by DIPP (now DPIIT), in force on August 28, 2017 and reflects the FDI policy as on August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP (now DPIIT). As per the FDI Policy, FDI up to 100% is permitted in wholesale trading under automatic route and up to 51% is permitted in multi brand retail trading under the government route subject to certain conditions prescribed under FDI policy. As per the Press Note No. 3 of 2020 dated April 17, 2020 issued by the DIPP, has amended the FDI Policy to include restrictions on entities belonging to 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, where they can invest only under the Government route. Further, a citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the Government route, in sectors/activities other than defence, space, atomic energy and sectors/activities prohibited for foreign investment.

### **The Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules, regulations and notifications there under, as issued by the Reserve Bank of India from time to time. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 by Notification No. FEMA. 395/2019-RB dated October 17, 2019 (“FEMA Rules”) to prohibit, restrict, or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Rules, no prior consents and approvals are required from the RBI for Foreign Direct Investment (“FDI”) 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 RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

### **The Foreign Trade (Development and Regulation) Act, 1992 and the Rules framed there under**

The Foreign Trade (Regulation and Development) Act, 1992 (“FTA”), and the rules framed there under, is the main legislation concerning foreign trade in India. The FTA read along with Foreign Trade (Regulation) Rules, 1993 provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of FTA, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a ‘Director General of Foreign Trade’ for the purpose of the Act, including formulation and implementation of the Export-Import Policy.

The FTA prohibits anybody from undertaking any import or export under an Importer-Exporter Code member (“IEC”) granted by the Director General of Foreign Trade pursuant to Section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority., than from degradation of the resource.

### **Export Promotion Capital Goods Scheme (“EPCG Scheme”)**

To facilitate import of capital goods for producing quality goods and services to enhance India’s export competitiveness. EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. Also covers a service provide who is designated/ certified as a Common Service Provider (CSP) by the DGFT.

The EPCG Scheme allows import of capital goods for pre-production, production, and post-production at 5% customs duty subject to and export obligation equivalent to 8 times of the duty saved on capital goods imported under the EPCG Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of license. Capital Goods would be allowed at 0% duty for exports of agricultural products and their value-added variants. However, in respect of EPCG licenses with a duty saved of Rs. 1,000 million or more, the same export obligation shall be required to be fulfilled over a period of 12 years.

- **Other Indian laws**

In addition to the above, our Company are also governed by the provisions of the Companies Act and rules framed thereunder, relevant central and state tax laws, foreign exchange and investment laws and foreign trade laws and other applicable laws and regulation imposed by the central and state government and other authorities for over day to day business, operations and administration.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as ‘BRR Udhyog Private Limited’ as Private Limited Company under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated January 05, 2016 bearing Corporate Identification Number U51909GJ2016PTC085610 issued by the Deputy Registrar of Companies, Gujarat. The name of the Company was changed to “Haru Worldwide Private Limited” and a fresh certificate of Incorporation was issued on June 02, 2022 by the Registrar of Companies, Ahmedabad. Subsequently, our Company was converted in to a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on July 08, 2022 and consequently the name of our company was changed to “Haru Worldwide Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated July 25, 2022. The CIN of the Company is U51909GJ2016PLC085610.

### Business and Management

For a description of our activities, services, technology, the growth of our Company and regional geographical segment in which our Company operates, please refer to chapters titled “Business Overview”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 67, 61, and 125 of this Draft Prospectus, respectively. For details of the management and managerial competence of our Company, please refer chapter titled “Our Management” on page 87 of this Draft Prospectus.

### Changes in Registered Office

Sr. No.	Registered Office		With Effect From	Reason for Change
	Shifted From	Shifted To		
1.	308, 3rd floor, Shukan Business Center Opp. Jain Dairy, Off. C.G. Road, Navrangpura Ahmedabad - 380009, Gujarat, India	505, Aakruti Complex, Nr. Sahyadri Flats, Nr. Stadium, Navrangpura, Ahmedabad – 380009, Gujarat, India.	September 15, 2020	For Administrative convenience
2.	505, Aakruti Complex, Nr. Sahyadri Flats, Nr. Stadium, Navrangpura, Ahmedabad – 380009, Gujarat, India.	Office No. 308, Third Floor, Sukun Business Centre, Nr. Fairdeal House, Swastik Cross Road, C. G. Road, Ahmedabad – 380009, Gujarat, India.	February 10, 2022	For Administrative convenience

### Main Objects as set out in the Memorandum of Association of the Company

The Main object clause of the Company as per Memorandum of Association is as under:

- To carry on the business as exporter, importer, manufacturers, traders, buyers, sellers, merchant, agents, dealers, distributors, commission agents, brokers, stockiest, factors, consignors, collaborators, franchisers, concessionaire, consultant, advisors, manufacturer’s representative, job worker, assembler, repairers and other wise to deal in all kinds, classes, size, nature and description of Industrial, Commercial, Consumer, Capital Goods, Item, Things, Articles, Commodities, Merchandise, Products whether finished, semi-finished or raw material including Readymade Garments, Fibers and Fabrics, Yarn, Textile, Hosiery Goods, Minerals, Fertilizers, Pesticides, Drugs, Medicines and Pharmaceuticals, Seeds, Food grains, Spices, Cereals, Flours, Fruits, Dry fruits, Vegetables, Herbal and Ayurveda Products, Agriculture produce and products, Milk and Dairy Products, Food products, Marine Products, Sugar and Sugar Products, Tea and Coffee, Tobacco.

### Amendments to the Memorandum of Association

The following changes have been made in the Memorandum of Association of our Company since its inception:

- Name Clause**

Sr. No.	Date of Name Change	Particulars
1.	June 02, 2022	The name of our company has changed from “BRR Udhyog Private Limited” to

		“Haru Worldwide Private Limited”.
2.	July 25, 2022	Consequent to conversion from Private Limited Company to Public Limited Company, Name of the Company was changed from “Haru Worldwide Private Limited” to “Haru Worldwide Limited”.

• **Registered Office Clause**

Sr. No.	Date of Registered Office Change	Particulars
1.	September 15, 2020	registered office changed to 505, Aakruti Complex, Nr. Sahyadri Flats, Nr. Stadium, Navrangpura, Ahmedabad – 380009, Gujarat, India.
2.	February 10, 2022	Subsequently the registered office changed to Office No. 308, Third Floor, Sukun Business Centre, Nr. Fairdeal House, Swastik Cross Road, C. G. Road, Ahmedabad – 380009, Gujarat, India.

• **Object Clause**

Sr. No.	Date of Passing of Resolution	Particulars
1.	July 01, 2017	<b>Main Object Clause of the company was altered by Removing clause 2 as under:</b> <i>“To takeover the running business of M/s B. R. Udhyog (a Proprietorship firm owned by Mr. Anil Runthala) of the business, profession, goodwill, assets, properties (movable or immovable), contracts, agreements, rights, privileges, effects, obligations and liabilities of the firm.”</i>

• **Authorized Capital**

Sr. No.	Date of Passing of Resolution	Type of Meeting	Particulars
1.	September 11, 2018	Extra Ordinary General Meeting	The authorized share capital of ₹1,00,00,000/- (Rupees One Cores only) consisting of 10,00,000 (Ten Lakh) Equity shares of ₹10/- each was increased to ₹2,00,00,000/- (Rupees Two Crores Only) consisting of 20,00,000 (Twenty Lakh) Equity shares of ₹10/- each
2.	December 24, 2018	Extra Ordinary General Meeting	The authorized share capital of ₹2,00,00,000/- (Rupees Two Cores only) consisting of 20,00,000 (Twenty Lakh) Equity shares of ₹10/- each was increased to ₹4,00,00,000/- (Rupees Four Crores Only) consisting of 40,00,000 (Fourty Lakh) Equity shares of ₹10/- each
3.	June 11, 2021	Extra Ordinary General Meeting	The authorized share capital of ₹4,00,00,000/- (Rupees Two Cores only) consisting of 40,00,000 (Fourty Lakh) Equity shares of ₹10/- each was increased to ₹5,00,00,000/- (Rupees Five Crores Only) consisting of 50,00,000 (Fifty Lakh) Equity shares of ₹10/- each
4.	July 08, 2022	Extra Ordinary General Meeting	The authorized share capital of ₹5,00,00,000/- (Rupees Five Cores only) consisting of 50,00,000 (Fifty Lakh) Equity shares of ₹10/- each was increased to ₹20,00,00,000/- (Rupees Twenty Crores Only) consisting of 2,00,00,000 (Two Crore) Equity shares of ₹10/- each
5.	August 01, 2022	Extra Ordinary General Meeting	The authorized share capital of ₹20,00,00,000/- (Rupees Twenty Cores only) consisting of 2,00,00,000 (Two Crore) Equity shares of ₹10/- each was increased to ₹22,00,00,000/- (Rupees Twenty Two Crores Only) consisting of 2,20,00,000 (Two Core Twenty Lakh) Equity shares of ₹10/- each

**MAJOR EVENTS, KEY AWARDS, ACCREDITATIONS OR RECOGNITION OF OUR COMPANY**

There no major events in the company since its incorporation other stated here below.

Our Company had participated in an Exhibition event named “MAGIC” in August 2018 at Las Vegas, USA. It North America’s largest, most comprehensive sourcing event reflecting the fashion supply chain at its most complete. Offering unmatched access to over 40 countries representing the world’s most important markets. In that event our company got an opportunity to showcase its products to 35000+ attendees, local U.S. suppliers.

#### **Acquisition or divestments of business/undertakings, mergers and amalgamations**

Our Company neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation since Incorporation.

#### **Strategic Partners**

Our Company is not having any strategic partner as on the date of filing this Draft Prospectus.

#### **Financial Partners**

Our Company is not having any financial partner as on the date of filing this Draft Prospectus.

#### **Time and Cost Overruns**

As on the date of this Draft Prospectus, there have been no time and cost overruns pertaining to our business operations.

#### **Launch of key products or services, Capacity and Capacity Utilisation, entry in new geographies or exit from existing markets**

In the FY 2020-21 the spread of Covid -19 has been hard-hitting for apparels and knitwear industries in Ludhiana due to migration of labor, order cancellation, unavailability of raw material, etc which had affected our company due to which promoter has taken a decision to shut down the factory.

#### **Injunctions or Restraining Orders**

As on the date of this Draft Prospectus, there are no injunctions or restraining orders against our Company.

#### **Changes in the activities of our Company in the last Five years**

There is no change in activity of our Company since incorporation.

#### **Defaults or rescheduling of borrowings of our Company with Financial Institutions/Banks**

There have been no defaults or rescheduling of borrowings or conversion of loans into equity with any financial institutions/banks in relation to our Company as on the date of this Draft Prospectus.

#### **Revaluation of assets**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares by capitalizing any revaluation reserves.

#### **Subsidiaries and Holding Company**

Our Company neither has a Holding company nor has any Subsidiary Company as on the date of this Draft Prospectus.

#### **Joint Ventures**

Our Company has not entered into any joint-ventures as on the date of this Draft Prospectus.



**Shareholders' Agreements**

Our Company has not entered into any shareholders agreement as on the date of this Draft Prospectus.

**Other Agreements**

Our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered as on the date of this Draft Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Prospectus:

Name, Father's Name, Address, Date of Birth, Age, Designation, Status, DIN, Occupation and Nationality	Other Directorships
<p><b>Name:</b> Anil Runthala  <b>Father's Name:</b> Babulal Runthala  <b>Address:</b> W-38, Ghanshyamnagar Society, Subhash bridge, Opposite RTO Office, Gandhi Ashram, Ahmedabad – 380027, Gujarat, India.  <b>Date of Birth:</b> February 28, 1981  <b>Age:</b> 41 Years  <b>Designation:</b> Managing Director  <b>Status:</b> Executive &amp; Non Independent Director  <b>DIN:</b> 06451305  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term:</b> Five (5) years w.e.f. September 01, 2022  <b>Original Date of Appointment:</b> March 15, 2022 as Executive Director of the company</p>	<p>1. Vedlu Worldwide Private Limited                  2. BRR Enterprise Private Limited</p>
<p><b>Name:</b> Harsha Sharma  <b>Father's Name:</b> Lal Chand Sharma  <b>Address:</b> W-38 Ghanshyamnagar Society, Opposite RTO Office, Subhash Bridge, Ahmedabad City, Ahmedabad - 380027, Gujarat, India.  <b>Date of Birth:</b> January 10, 1982  <b>Age :</b> 40 Years  <b>Designation:</b> Whole Time Director  <b>Status:</b> Executive &amp; Non Independent Director  <b>DIN :</b> 07876300  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term:</b> Five (5) years w.e.f. September 01, 2022  <b>Original Date of Appointment:</b> November 04, 2020 as Executive Director of the company</p>	<p>1. BRR Enterprise Private Limited</p>
<p><b>Name:</b> Pradeep Sharma  <b>Father's Name:</b> Lal Chand Sharma  <b>Address:</b> Shree Ayurved Aushdhalay, Ward No. 38, Near Pankaj Talkies, Chhindwara – 480001, Madhya Pradesh, India.  <b>Date of Birth:</b> September 29, 1986  <b>Age:</b> 36 Years  <b>Designation:</b> Director  <b>Status:</b> Non-Executive Director  <b>DIN :</b> 09545620  <b>Occupation:</b> Business  <b>Nationality:</b> India  <b>Term:</b> Retire by Rotation  <b>Original Date of Appointment:</b> June 15, 2022 as an Executive Director of the company</p>	<p>1. Vedlu Worldwide Private Limited</p>
<p><b>Name:</b> Vaibhav Kakkad  <b>Father's Name:</b> Pankaj Kakkad  <b>Address:</b> Shri Ram, Dharam Nagar Society Main Road, Opp. Raj Bank, 150 Feet Ring Road, Rajkot – 360007, Gujarat, India.  <b>Date of Birth:</b> August 23, 1992</p>	

<p><b>Age:</b> 30 Years  <b>Designation:</b> Independent Director  <b>Status:</b> Non-Executive Director  <b>DIN:</b>08148272  <b>Occupation:</b> Professional  <b>Nationality:</b> India  <b>Term:</b>Five (5) years w.e.f. August 27, 2022  <b>Original Date of Appointment:</b> August 27, 2022 as Non-Executive Independent Director</p>	
<p><b>Name:</b> Vinod Mishra  <b>Father's Name:</b> Bholanath Mishra  <b>Address:</b> AT-Baidyanath Ayurvedic Bhawan, Bamhani, Gopalganj, Seoni - 480661, Madhya Pradesh, India.  <b>Date of Birth:</b> December 04, 1977  <b>Age:</b> 44 Years  <b>Designation:</b> Independent Director  <b>Status:</b> Non-Executive Director  <b>DIN:</b>07552109  <b>Occupation:</b> Professional  <b>Nationality:</b> India  <b>Term:</b> Five (5) years w.e.f August 27, 2022  <b>Original Date of Appointment:</b> August 27, 2022 as Non-Executive Independent Director</p>	<p>1. Chandrayan Herbal and Food Private Limited</p>

### Confirmations

#### As on date of this Draft Prospectus

- A. None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.
- B. None of the Directors are on the RBI List of willful defaulters.
- C. None of the Directors are/ were directors of any listed entity whose shares were delisted from any Stock Exchange(s).
- D. Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.
- E. None of the Directors are fugitive economic offender.

#### Family Relationship between the Directors

Except as stated below, None of the Directors of our Company are related to each other as per section 2(77) of the Companies Act, 2013.

Mrs. Harsha Sharma, Promoter & Whole Time Director is the wife of Mr. Anil Runthala, Promoter & Managing Director of the company.

Mrs. Harsha Sharma, Promoter & Whole Time Director is sister of Mr. Pradeep Sharma, Non-Executive Director of the company.

#### Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Prospectus.

## Service Contracts

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel are entitled to any benefits upon termination of employment.

## Borrowing Powers of the Board

The Articles, subject to the provisions of Section 180(1)(c) of the Act authorizes the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a special resolution passed at the Extra-ordinary General Meeting held on July 08, 2022, in accordance with Section 180(1)(c) of the Act authorized the Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans taken from the company's bankers) shall not exceed ₹100.00 Crores.

## Brief Profiles of Our Directors

**Mr. Anil Runthala** aged 41 years, is the Promoter and Managing Director of our company. He has completed his commerce graduation from Gujarat University in year 2001. He is having vast experience in the trading segment in not only domestic market but also in the export market. He holds more than a decade experience in the trading sector of raw cotton, fabric and yarn. His negotiation skill in the international market, helps our company to expand its business all over the globe.

**Mrs. Harsha Sharma** aged 40 years, is the Promoter & Whole Time Director of our company. She has completed her graduation in Bachelor of Science from Doctor Harisingh Gour Vishwavidhyalaya, Sagar. She has clear understanding in the basic principles of textiles, like: colour applications and elements of designs. She handled entire process of detailed examination, selection and printing of material for our clients.

**Mr. Pradeep Sharma** aged 36 years, is the Non-Executive Director of our Company. He has completed his Master of Business Administration in Marketing & Finance from Punjab Technical University in the year 2012. Prior to joining us he was involved in his family business of Ayurvedic medicines Viz Shree Ayurved Aushdhalaya. He possesses profound knowledge of finance and marketing.

**Mr. Vaibhav Kakkad** aged 30 years, is an Independent Director of the company. He has completed his Bachelor in Commerce from Saurashtra University. He also holds the professional certificate from Institute of Company Secretaries India. Currently, he is in full time practice and has more than 6 years of experience in law related matters like Company Law, Securities Law.

**Mr. Vinod Mishra** aged 44 years, is an Independent Director of the company. He has completed his Post Graduate in Master in Business Administration in Human Resource from Sikkim Manipal University and Master of Law from Rani Durgavati University in the year 2011 and 2019 respectively. He has over 3 decades of experience in the fields of Factory Administration, Operations Management, Strategic Planning, Production, Labor & Legal Activities, HR planning and People Management.

## Compensation of Managing Directors and/or Whole-time Directors

### Terms and conditions of employment of our Managing Director:

**Mr. Anil Runthala** has been appointed as Managing Director of our Company in the Extra-Ordinary General Meeting of the company held on September 01, 2022 for a period of Five (5) years commencing from September 01, 2022.

### The remuneration payable is as follows:

<b>Name</b>	Anilkumar Babulal Runthala
-------------	----------------------------

<b>Date of Agreement</b>	September 01, 2022
<b>Period</b>	Five (5) years commencing from September 01, 2022
<b>Salary</b>	₹ 5,00,000/- per month
<b>Remuneration paid in FY 2021-22</b>	Not applicable

**Harsha Sharma** has been appointed as Whole Time Director of our Company in the Extra Ordinary General Meeting of the company held on September 01, 2022 for a period of Five (5) years commencing from September 01, 2022.

**The remuneration payable is as follows:**

<b>Name</b>	Harsha Sharma
<b>Date of Agreement</b>	September 01, 2022
<b>Period</b>	Five (5) years commencing from September 01, 2022
<b>Salary</b>	₹ 5,00,000/- per month
<b>Remuneration paid in FY 2021-22</b>	Not applicable

#### **Payment or benefit to Independent Directors of our Company**

We have not paid any sitting fees to our Independent Directors till the date of this Draft Prospectus.

#### **Shareholding of Directors in our Company**

The details of the shareholding of our Directors as on the date of this Draft Prospectus are as follows:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>No. of Equity Shares</b>	<b>Percentage of Pre-Issue Capital (%)</b>
1.	Mr. Anilkumar Babulal Runthala	54,00,000	36.00
2.	Mrs. Harsha Sharma	73,50,000	49.00
3.	Mr. Pradeep Sharma	4,50,000	3.00
<b>Total</b>		<b>1,32,00,000</b>	<b>88.00</b>

#### **Interests of our Directors**

Our all 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 and as well as to the extent of reimbursement of expenses payable to them under the Articles.

Our Executive Directors are interested to the extent of remuneration payable to them pursuant to the Articles of Company and resolution approved by the Board of Directors/Members of the Company as the case may be, time to time for the services rendered as an Officer or employee of the Company.

The Directors are also members of the Company and are deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer "*Our Management - Shareholding of Directors in our Company*" beginning on page 87 of this Draft Prospectus.

Other than our promoter directors, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business

Except as stated in the chapter "*Business Overview*" on page 67 of this Draft Prospectus and in the chapter "*Restated Financial Statement*" on page 102 none of our Directors have any interest in the property proposed to be acquired by our Company

Except as disclosed in the section titled in “*Restated Financial Statements*” on page 102, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

For details with respect to loan to directors, please refer to chapter titled “*Restated Financial Statement*” on page 102 of this Draft Prospectus.

#### **Payment of benefits (non-salary related)**

Except as disclosed above, 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.

#### **Bonus or profit-sharing plan for the Directors**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

#### **Changes in our Company’s Board of Directors during the last three (3) years**

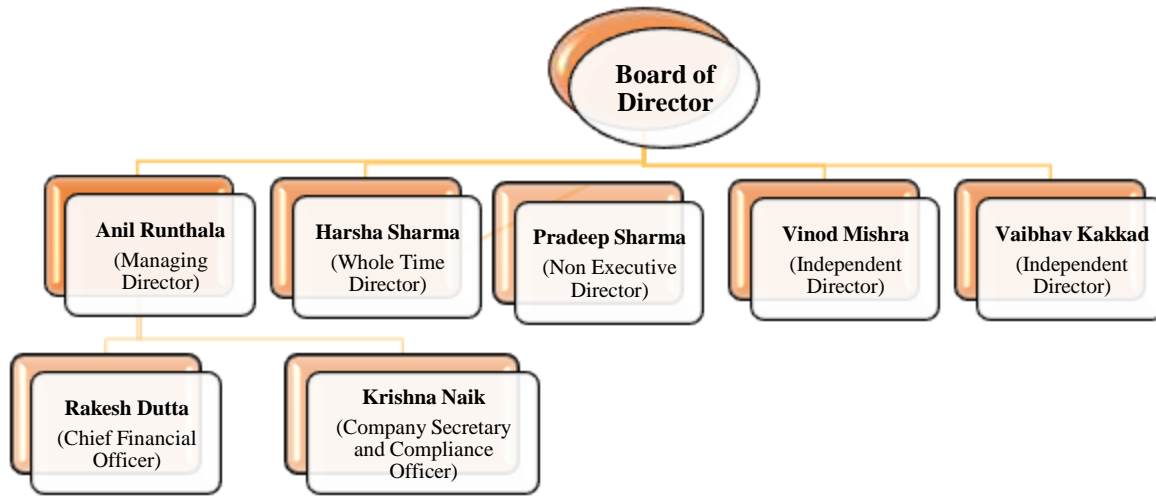
Following are the changes in the Board of Directors during the last three (3) years

<b>Name of Directors</b>	<b>Date of Appointment</b>	<b>Nature of change</b>	<b>Date of Change in Designation / Cessation</b>	<b>Reasons for changes in the Board</b>
Jignesh Mankadia	December 23, 2019	Appointment	December 23, 2019	Appointment as Additional Executive Director
		Cessation	November 05, 2020	Resigned as a Director
Ghanshyam Patel	January 01, 2019	Cessation	December 23, 2019	Resigned as a Director
Pankajkumar Goenka	September 08, 2020	Appointment	September 08, 2020	Appointment as Additional Executive Director
		Change in Designation	December 30, 2020	Appointed as an Executive Director from the Designation of Additional Director
		Cessation	April 15, 2021	Resigned as a Director
Pradip Senjaliya	December 12, 2019	Cessation	September 09, 2020	Resigned as a Director
Harsha Sharma	November 04, 2020	Appointment	November 04, 2020	Appointment as Additional Executive Director
		Change in Designation	December 30, 2020	Appointed as an Executive Director from the Designation of Additional Director
		Change in Designation	September 01, 2022	Appointed as a whole time Director from the Designation of Executive Director
Ashik Patel	April 01, 2021	Appointment	April 01, 2021	Appointment as Additional Executive Director

Name of Directors	Date of Appointment	Nature of change	Date of Change in Designation / Cessation	Reasons for changes in the Board
		Cessation	April 15, 2021	Resigned as a as Additional Executive Director
Piyush Goyal	April 10, 2021	Appointment	April 10, 2021	Appointment as Additional Executive Director
		Change in Designation	November30, 2021	Appointed as an Executive Director from the Designation of Additional Director
		Cessation	March 17, 2022	Resigned as a Additional Executive Director
Anilkumar Runthala	March 15, 2022	Appointment	March 15, 2022	Appointment as Additional Executive Director
		Change in Designation	July 08, 2022	Appointed as an Executive Director from the Designation of Additional Director
		Change in Designation	September 01, 2022	Appointed as a Managing Director from the Designation of Executive Director
Pradeep Sharma	June 15, 2022	Appointment	June 15, 2022	Appointment as Additional Executive Director
		Change in Designation	July 08, 2022	Appointed as an Executive Director from the Designation of Additional Director
		Change in Designation	August 27, 2022	Appointed as a Non-Executive Director from the Designation of Executive Director
Vinod Mishra	August 27, 2022	Appointment	August 27, 2022	Appointment as Independent Director
Vaibhav Kakkad	August 27, 2022	Appointment	August 27, 2022	Appointment as Independent Director

## Management Organization Structure

The following chart depicts our Management Organization Structure



## COMPLIANCE WITH CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of the SEBI Listing Regulations except Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C, D, and E of Schedule will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

### Constitutions of Committees

Our Company has constituted the following committees:

#### 1. Audit Committee

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on September 01, 2022 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The Audit Committee comprises following members.

Name	Designation	Status in Committee
Vinod Kumar Mishra	Independent Non-Executive Director	Chairman
Vaibhav Pankajbhai Kakkad	Independent Non-Executive Director	Member
Anilkumar Babulal Runthala	Managing Director	Member

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

#### Terms of reference:

#### Role of Audit Committee

The scope of audit committee shall include, but shall not be restricted to, the following:



1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Scrutiny of inter-corporate loans and investments.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. 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.
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Reviewing, with the management, performance of statutory and internal auditors, and 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 nonpayment of declared dividends) and creditors;
14. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
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. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
17. Valuation of undertakings or assets of the company, where ever it is necessary.
18. Evaluation of internal financial controls and risk management systems;
19. Monitoring the end use of funds raised through public offers and related matters.
20. 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.
21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on listed entity and its shareholders.

### **Review of information by Audit Committee**

The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. statement of deviations : quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange (s) in terms of Regulations 32(1). annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulations 32(7).

#### **Powers of the Audit Committee:**

#### **The audit committee shall have the powers, which should include the following:**

1. To investigate any activity within its terms of reference;
2. To seek information from any employees;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **2. Stakeholders Relationship Committee**

Our Company has formed the Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated September 01, 2022. The constituted Stakeholders Relationship Committee comprises the following members:

<b>Name</b>	<b>Designation</b>	<b>Status in Committee</b>
Pradeep Sharma	Non-Executive	Chairman
Vinod Mishra	Independent Non-Executive Director	Member
Vaibhav Kakkad	Independent Non-Executive Director	Member

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

#### **Terms of Reference**

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.,
- Issue duplicate/split/consolidated share certificates;
- Dematerialization/Rematerialization of Share
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- Such other matters as may from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

#### **3. Nomination and Remuneration Committee**

Our Company has formed the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated September 01, 2022. The Nomination and Remuneration Committee comprises the following members:

Name	Designation	Status in Committee
Vinod Kumar Mishra	Independent Non-Executive Director	Chairman
Pradeep Sharma	Non-Executive Director	Member
Vaibhav Pankajbhai Kakkad	Independent Non-Executive Director	Member

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**The terms of reference:**

- 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;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Devising a policy on Board diversity, if any;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**Our Key Managerial Personnel**

Our Company is managed by our Board of Directors, assisted by qualified experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company

**Profiles of our Key Managerial Personnel**

For the profile of Mr. Anil Runthala a Managing Director, and Mrs. Harsha Sharma a Whole Time Director Please refer chapter titled “Our Management - Brief Biographies of our Directors” on page 87 of this Draft Prospectus.

The Key Managerial Personnel of our Company other than our Directors are as follows:-

Name, Designation and Date of Joining	Qualification	Previous Employment	Overall Experience	Remuneration paid In previous year (2021-22) (₹ in Lakhs)
Krishna Naik Company Secretary and Compliance Officer D.O.J- August 27, 2022	C.S., Post Graduate Diploma of Service Management and B.com	Aarcon Facilities Limited	7 Years	-
Rakesh Dutta Chief Financial Officer D.O.J- August 27, 2022	MBA, (Finance Management), Diploma In Finance Management and B. com	BRR Enterprise Private Limited	29 Years (Finance and Management)	-

### **Relationship amongst the Key Managerial Personnel of our Company**

Except as stated below none of our directors and Key Managerial Personnel of our Company are related to each other.

### **Arrangement and Understanding with Major Shareholders/Customers/ Suppliers**

None of the above Key Managerial Personnel have entered into any arrangement/ understanding with major shareholders/customers/suppliers as on the date of this Draft Prospectus

### **Bonus or profit-sharing plan of the Key Managerial Personnel**

Our Company does not have a profit sharing plans for the Key Management Personnel.

### **Shareholding of Key Management Personnel in our Company**

None of our Key Managerial Personnel except Mr. Anil Runthala and Mrs. Harsha Sharma holds Equity Shares in our Company as on the date of filing of this Draft Prospectus. For further details, please refer to section titled “*Capital Structure*” beginning on page 40 of this Draft Prospectus

### **Changes in Our Company’s Key Managerial Personnel during the last three (3) years**

<b>Name of KMP</b>	<b>Designation</b>	<b>Date of Event</b>	<b>Reason</b>
Rakesh Dutta	Chief Financial Officer	August 27, 2022	Appointed as Chief Financial Officer
Krishna Naik	Company Secretary and Compliance Officer	August 27, 2022	Appointed as Company Secretary and Compliance Officer

*For details with respect to the Changes in directors who are KMP, please refer to section titled “Changes in our Company’s Board of Directors during the last three (3) years” on page 87 of this Draft Prospectus.*

### **Interest of Key Managerial Personnel**

Except as disclosed in this Draft Prospectus, the Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of their shareholding, remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

### **Employee Stock Option or Employee Stock Purchase**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.



### **Payment of Benefits to of Our KMPs (non-salary related)**

Except as disclosed in this Draft Prospectus other than any statutory payments made by our Company to its KMPs, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees.

For further details, please refer section titled ‘*Restated Financial Statements*’ beginning on page 102 of this Draft Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company is:

	<p><b>Mr. Anil Runthala</b> aged 41 years, is the Managing Director of our company. <b>Date of Birth</b> – February 28, 1981 <b>Personal Address</b> -W-38, Ghanshyamnagar Society, Subhash bridge, Opposite RTO Office, Gandhi Ashram, Ahmedabad – 380027, Gujarat, India <b>Permanent Account Number:</b> AEFPR1349E For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements please refer chapter titled “Our Management” beginning on page no. 87 of this Draft Prospectus.</p>
	<p><b>Mrs. Harsha Sharma</b> aged 40 years, is the Whole Time Director of our company. <b>Date of Birth</b> – January 10, 1982 <b>Personal Address</b> -W-38 Ghanshyamnagar Society, Opposite RTO Office, Subhash Bridge, Ahmedabad - 380027, Gujarat, India. <b>Permanent Account Number:</b> AUEPS0946D For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements please refer chapter titled “Our Management” beginning on page no. 87 of this Draft Prospectus.</p>

*For details of the build-up of our Promoter’ shareholding in our Company, please see “Capital Structure – Shareholding of our Promoters” beginning on page no 40 of this Draft Prospectus.*

### Confirmations

We confirm that the details of the permanent account numbers, bank account numbers, passport numbers, Aadhar card and Driving License of our Promoters will be submitted to the Stock Exchange at the time of filing the Draft Prospectus with the Stock Exchange.

Further, our Promoters has confirmed that they have not been declared as willful defaulters or Fraudulent Borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Additionally, none of the Promoters have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

### Other ventures of Promoters

Other than as disclosed in this section, our Promoters is not involved in any other ventures.

### Change in the management and control of the Issuer

Our Promoters are the original Promoters of our Company and there has been no change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

### Relationship of Promoters with our directors

None of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013, Except Mr. Anil Runthala and Mrs. Harsha Sharma are Husband and Wife, and Mr. Pradeep Sharma and Mrs. Harsha Sharma are Brother and Sister.

## **Interest of Promoters**

Our Promoters is interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings, Managing and Whole Time Director in our Company and the shareholding of their relatives in our Company and the dividend declared and due, if any, and employment related benefits, if any paid by our Company. For further details, please refer chapters titled “*Capital Structure*” and “*Our Management*” beginning on pages 40 and 87 respectively of this Draft Prospectus. For further details, please refer chapters titled “*Capital Structure - Shareholding of our Promoter and Promoter Group*” beginning on page 40 and “*Restated Financial Statements*” on page 102, respectively of this Draft Prospectus.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as a member or proprietor or partner, in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify him as a director, or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

### ***Interest in the properties of our Company***

Our Promoters and members of Promoter Group do not have any interest in any property acquired by or proposed to be acquired by our Company during a period of three years prior to filing of the Draft Prospectus.

### ***Interest as members of our Company***

Our Promoters are interested to the extent of their shareholding, the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer chapter titled “*Capital Structure*” beginning on page 40 of this Draft Prospectus.

No sum has been paid or agreed to be paid to our Promoters and our Promoters are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

## **Other Interest**

Our Promoters are not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

## **Payment of benefits to our Promoters**

Except as stated in the *Annexure – L “Related Party Transactions”* on page 114 there has been no payment of benefits to our Promoters during the two years preceding the filing of this Draft Prospectus.

## **Guarantees**

Except as stated in the section titled “*Financial Statements*” beginning on page \_ of this Draft Prospectus, respectively, there are no material guarantees given by the Promoter to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

## **Details of Companies / Firms from which our Promoters have disassociated**

Except stated below. Our Promoters have not disassociated themselves from any firms or companies in the last three (3) years preceding this Draft Prospectus.

Mr. Anil Runthala Promoter of our company has been disassociated from the following:

Sr. No.	Name of Association	Date of Disassociation	Reason of Disassociation
1.	Twine Exim Private Limited	March 17, 2022	Pre-Occupation
2.	Anihar Global Private Limited	December 21, 2019	Pre-Occupation
3.	BR Udhyog Propriety Firm	December 31, 2019	Pre-Occupation

### Our Promoter Group

Our Promoter Group in terms of Regulation and 2(1)(pp) of the SEBI (ICDR) Regulations, 2018. In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

#### A. Individual persons who are part of our Promoter Group

**Promoters: Mr. Anil Runthala and Mrs. Harsha Sharma**

Relationship with promoters		
Promoters	Mr. Anil Runthala	Mrs. Harsha Sharma
Father	Late Babulal Runthala	Late Lalchand Sharma
Mother	Pushpa Devi Runthala	Nirmala Devi Sharma
Spouse	Harsha Sharma	Anil Runthala
Brother	Omprakash Runthala	Pradeep Sharma
Sister	Anuradha Sharma	Surya Sharma
Son	Akshat Runthala Abhay Runthala	Akshat Runthala Abhay Runthala
Daughter	-	-
Spouse's Father	Late Lalchand Sharma	Late Babulal Runthala
Spouse's Mother	Nirmala Devi Sharma	Pushpa Devi Runthala
Spouse's Brother	Pradeep Sharma	Omprakash Runthala
Spouse's Sister	Surya Sharma	Anuradha Sharma

#### Companies, Proprietary concerns, HUF's related to our promoters

Nature of Relationship	Entity
Anybody corporate in which twenty per cent. or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or Hindu Undivided Family in which the promoters or any one or more of their relative is a member	a) BRR Enterprise Private Limited b) Vedlu Worldwide Private Limited c) Maxrun Overseas LLP
Anybody corporate in which a body corporate as provided in above holds twenty per cent. or more, of the equity share capital; and	-
Any Hindu Undivided Family or firm in which the aggregate share of the promoters and their relatives is equal to or more than twenty per cent. of the total capital;	a) Anilkumar B Runthala HUF

For further details on our Promoter Group refer Chapter Titled "Financial Information of our Group Companies" beginning on page no.142 of Draft Prospectus.

## **DIVIDEND POLICY**

As on the date of this Draft Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder).

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our contractual obligations, applicable legal restrictions, results of operations, financial condition, revenues, profits, over financial condition, capital requirements and business prospects.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see “*Financial Indebtedness*” on page 130. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

The Company has not declared and paid any dividends on the Equity Shares since Incorporation.



## SECTION VI – FINANCIAL INFORMATION

### AUDITORS' REPORT ON STANDALONE RESTATED FINANCIAL INFORMATION

To,  
The Board of Directors  
Haru Worldwide Limited  
Office No. 308, Third Floor, Sukun Business Centre,  
Nr. Fairdeal House, Swastik Cross Road, C. G. Road,  
Ahmedabad-380009, Gujarat, India.

Dear Sirs,

**Subject: Financial Information Haru Worldwide Limited**

We have examined, the attached Restated standalone Statement of Assets and Liabilities of Haru Worldwide Limited ('the Company') as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and annexed to this report (collectively, the "Restated Financial Information") as approved by the Board of Directors of the Company for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) of equity shares prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
  - b. the Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI-ICDR Regulations"); and
  - c. the Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").
1. The Restated Standalone summary statements of the Company have been extracted by the Management from the Audited Standalone financial statements of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020. Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, the Rules, SEBI-ICDR Regulations and the Guidance Note.
  2. We have examined these Restated Standalone Financial Information taking into consideration
    - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 01, 2022 in connection with the proposed IPO of the Company;
    - b. The Guidance Note on reports in Company prospectus (Revised) issued by the Institute of Chartered Accountants of India
  3. These Restated Standalone Financial Information have been compiled by the Management from the Standalone audited Financial Statements of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which have been approved by the Board of Directors of the Company. We, Bhagat & Co Chartered Accountants, have been subject to 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 Audit for Financial year March 31, 2021 and March 31, 2022 were conducted by M/s B k Chavda & Co and Audit for Financial Year March 31, 2020 was conducted by M/s Agrawal Jindal & Co. The Audit for the Financial Year March 31, 2022 was re audited by us. The reliance has been placed on the financial information examined by them for the said years. The financial report included for March 31, 2020, March 31, 2021 and March 31, 2022 is based solely on the report submitted by them.
  4. Based on our examination, we report that:

- a. The Restated Standalone Summary Statement of Assets and Liabilities of the Company examined and reported as at March 31, 2022, March 31, 2021 and March 31, 2020 examined by us, as set out in Annexure A read with significant accounting policies and related notes to account in Annexure D are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.
  - b. The Restated Standalone Summary Statement of Profit and Loss of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 examined by us, as set out in Annexure B read with significant accounting policies and related notes to account in Annexure D are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.
  - c. The Restated Standalone Summary Statement of Cash Flows of the Company for the years ended, March 31, 2022, March 31, 2021 and March 31, 2020 examined by us, as set out in Annexure C read with significant accounting policies and related notes to account in Annexure D are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.
  - d. Based on the above, according to the information and explanations given to us we are of opinion that the Restated Standalone Financial Information:
    - i. have been made after incorporating adjustments for changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
    - ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
    - iii. Do not contain any extra-ordinary items that need to be disclosed separately.
    - iv. There were no qualifications in the Audit report issued by the Statutory Auditor of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which would require adjustments in these restated financial statements of the Company.
5. We have also examined the following financial information as set out in the Annexure prepared by the management and approved by the Board of Directors relating to for the years ended March 31, 2022, March 31, 2021 and March 31, 2020.
- i. Standalone Statement of significant accounting policies and notes to accounts as appearing in Annexure D
  - ii. Restated Statement of Assets and Liabilities in Annexure A
  - iii. Restated Statement of Profit & Loss Account in Annexure B
  - iv. Restated Statement of Cash Flow in Annexure C
  - v. Significant Accounting Policies and Notes to Accounts as restated in Annexure D;
  - vi. Restated notes to Statement of Assets and Liabilities and Profit and Loss Account from Note 1 to Note 23
  - vii. Statement of Tax Shelters as Restated as appearing in Annexure E to this report
  - viii. Reconciliation statement of Balance Sheet and Profit and Loss Account Annexure F to Annexure to Annexure I
  - ix. Details of Summary of Accounting Ratios as Restated as appearing in Annexure J to this report
  - x. Details of Summary of Accounting Ratios Schedule III as Restated as appearing in Annexure K to this report
  - xi. Details of Related Parties Transactions as Restated as appearing in Annexure L to this report
  - xii. Capitalization Statement as Restated as at 31st March 2022 as appearing in Annexure M to this report

According to the information and explanations given to us in our opinion the Restated Standalone Financial Information and the above restated Standalone financial information contained in Annexure A to Annexure M along with and Notes as set out in Note 1 to Note 23 are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act,

2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note.

6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
8. Our report is intended solely for use of the Management for inclusion in the offer document to be filed with BSE and Registrar of Companies, Gujarat in connection with the proposed IPO of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For Bhagat & Co  
Chartered Accountants**

**Sd/-  
CA Shankar Bahgat  
Partner  
FRN: 127250W  
M.No: 052725  
Peer Review Certificate No. 012958  
UDIN: 22052725AWDZLR7620**

**Place: Ahmedabad  
Date: September 28, 2022**

Annexure - A Restated Statement of Assets and Liabilities

(₹ In Lacs)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>EQUITY AND LIABILITIES</b>				
<b>I Shareholders' funds</b>				
(a) Share capital	Note 1	500.00	400.00	400.00
(b) Reserves and surplus	Note 2	1,485.00	834.34	793.00
<b>2 Non-current liabilities</b>				
(a) Long-term borrowings	Note 3	623.95	675.48	433.43
(b) Other Non Current Liabilities		-	-	-
(c) Deferred tax liabilities (Net)		-	-	-
(d) Long-term Provisions		-	-	-
<b>3 Current liabilities</b>				
(a) Short-term borrowings	Note 4	2,525.43	1,399.43	-
(b) Trade payables	Note 5			
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,000.73	3,481.63	1,742.44
(c) Other current liabilities	Note 6	2.35	185.78	45.52
(d) Short-term provisions	Note 7	122.09	15.94	5.43
<b>TOTAL</b>		<b>7,259.55</b>	<b>6,992.60</b>	<b>3,419.82</b>
<b>II. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant & Equipment	Note 8			
(i) Tangible assets		1,197.92	1,197.92	68.74
Less: Accumulated Depreciation		66.33	41.27	21.76
Net Block		1,131.59	1,156.65	46.98
(b) Non Current Investments		-	-	-
(c) Deferred Tax Assets (Net)		1.78	0.20	0.20
(d) Long-term loans and advances	Note 9	-	-	-
(e) Other Non Current Assets	Note 10	-	-	0.57
<b>2 Current assets</b>				
(a) Current Investments		-	-	-
(b) Inventories	Note 11	3,250.01	223.63	842.59
(c) Trade receivables	Note 12	2,462.08	5,141.42	2,298.95
(d) Cash and cash equivalents	Note 13	1.89	12.86	18.33
(e) Short-term loans and advances	Note 14	412.20	457.84	212.20
(f) Other Current Assets		-	-	-
<b>TOTAL</b>		<b>7,259.55</b>	<b>6,992.60</b>	<b>3,419.82</b>

Annexure – B Restated Statement of Profit and Loss account

(₹ In Lacs)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I. Revenue from operations</b>	Note 15	27,182.84	10,596.96	10,000.24
<b>II. Other income</b>	Note 16	1.25	35.15	22.84
<b>III. Total Revenue (I + II)</b>		27,184.09	10,632.11	10,023.08
<b>IV. Expenses:</b>				
Purchase of Stock-In-Trade	Note 17	29,187.64	9,141.73	8,727.99
Changes in Inventories of work-in-progress	Note 18	(2,732.89)	618.96	863.13
Employee benefits expense	Note 19	34.94	30.42	89.90
Finance costs	Note 20	278.85	29.06	10.23
Depreciation and amortization expense	Note 21	25.06	20.08	10.46
Operating and Other expenses	Note 22	34.41	734.58	223.31
<b>Total expenses</b>		26,828.01	10,574.83	9,925.02
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		356.08	57.28	98.06
<b>VI Exceptional Items</b>				
<b>VII Profit before extraordinary items and tax</b>		356.08	57.28	98.06
<b>VIII Extraordinary items</b>		-	-	-
<b>IX Profit before tax (VII-VIII)</b>		356.08	57.28	98.06
<b>X Tax expense:</b>				
(1) Current tax	Annexure-E	107.00	15.94	26.43
(2) Deferred tax		(1.58)	-	-
(3) Less :- MAT Credit Entitlement		-	-	-
<b>XI Profit/(loss) for the period from Continuing operations(VII-VII)</b>		250.66	41.34	71.63
<b>XII Profit/(loss) from Discontinuing operations</b>		-	-	-
<b>XIII Tax Expense of Discontinuing operations</b>		-	-	-
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-	-
<b>XV Profit (Loss) for the period (XI + XIV)</b>		250.66	41.34	71.63
<b>XVI Adjusted Earnings per equity share:</b>				
(1) Basic				
(2) Diluted				

**Annexure C Restated Statement of Cash Flow Statement**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash flow from Operating Activities</b>			
<b>Net Profit Before tax as per Statement of Profit &amp; Loss</b>	356.08	57.28	98.06
Adjustments for :			
Depreciation & Amortisation Exp.	25.06	20.08	10.46
Income Tax Written Off			
Finance Cost	270.74	16.70	10.23
<b>Operating Profit before working capital changes</b>	651.88	94.06	118.75
<b>Changes in Working Capital</b>			
Trade receivable	2,679.34	(2,842.47)	5,939.79
Short term Loans and Advances	54.45	(245.64)	158.81
Inventories	(2,732.89)	618.96	863.13
Other Non Current Assets	-	-	0.56
Long term Loans And Advances	-	-	-
Trade Payables	(1,783.20)	1,739.19	(7,400.89)
Other Current Liabilities	(183.43)	140.26	9.47
Short Term Provisions	-	-	-
<b>Net Cash Flow from Operation</b>	(1,313.85)	(495.64)	(310.38)
Less: Income Tax paid	0.84	5.43	22.07
<b>Net Cash Flow from Operating Activities (A)</b>	(1,314.69)	(501.07)	(332.45)
<b>Cash flow from investing Activities</b>			
(Purchase) of Fixed Assets (net)	-	(1,129.18)	-
Sale of Fixed Assets (net)	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	-	(1,129.18)	-
<b>Cash Flow From Financing Activities</b>			
Proceeds From Issue of shares capital	500.00	-	-
Short Term Borrowing (Net)	1,126.00	1,399.43	-
Long Term Borrowing (Net)	(51.54)	242.05	352.20
Interest Paid	(270.74)	(16.70)	(10.23)
<b>Net Cash Flow from Financing Activities (C)</b>	1,303.72	1,624.78	341.97
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	(10.97)	(5.47)	9.52
Opening Cash & Cash Equivalents at the beging of the year	12.86	18.33	8.81
<b>Cash and cash equivalents at the end of the period</b>	<b>1.89</b>	<b>12.86</b>	<b>18.33</b>

**Annexure -D Significant Accounting Policies**

The Restated financial Statements comprise financial statements of Haru Worldwide Limited for the period ended March 31, 2022 and for each years ended March 31, 2021, March 31, 2020 and March 31, 2019 that had been previously prepared and audited as per the requirements of Companies Act, 2013 and now restated as per the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“the SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 and Guidance note on reports in Company Prospectus (Revised 2019) (“Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”).

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared on accrual basis under historical cost convention as a going concern. The financial statements are prepared in Indian rupees.

These financial statements have been prepared to comply with Generally Accepted Accounting Principles in India including the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013.

Accounting policies have been consistently applied except where newly-issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

## **B. USES OF ESTIMATES**

The preparation of financial statements in conformity with Accounting Standards issued by the Institute of Chartered Accountants of India requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements 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 the results are known/ materialised.

## **C. FIXED ASSETS**

### **Tangible Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

### **Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

## **D. DEPRECIATION, AMORTISATION AND DEPLETION**

### **Tangible and Intangible Assets**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

## **E. TAXATION**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period.

#### **F. FOREIGN CURRENCY TRANSACTION**

(i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

(iii) Non-monetary foreign currency items are carried at cost.

(iv) In respect of integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Monetary assets and liabilities are restated at the year end rates.

(v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement, except in case of long term liabilities, where they relate to acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such assets.

#### **G. INVESTMENTS**

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non-Current investments are stated at cost plus if any income accrued on Investment. Provision for diminution in the value of Non- Current investments is made only if such a decline is other than temporary.

Investments that are readily realizable and intend to be held for not more than 12 months from the date of acquisition are classified as current investment.

All other investments are classified as non-current investments.

#### **H. BORROWING COSTS**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

#### **I. EMPLOYEE BENEFITS**

In the opinion of the management the provision for retirement benefits are not applicable at present and hence no provision is made in the accounts of the company.

#### **J. REVENUE RECOGNISATION**

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, service tax, excise duty, Goods & Service Tax and sales during trial run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.



Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

#### **K. PRELIMINARY EXPENSES**

Preliminary expenses are written off over a period of Five years.

#### **L. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

#### **M. IMPAIRMENT**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **N. GENERAL NOTES TO ACCOUNTS:**

- (i) Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
- (ii) Paise are rounded up to nearest rupees.
- (iii) All sundry debit and credit balances standing as debtors, creditors and other balances are subject to confirmation from the concerned parties & hence, subject to adjustments if any, arising out of reconciliation.
- (iv) In the opinion of the Board of Directors, Current Assets, Loans & Advances have a value on realization in the ordinary course of business equal to the amount at which they are stated in the balance sheet.
- (v) Wherever, external evidence in the form of cash memos / bills / supporting documents is available, the vouchers have been prepared and authorized by the company.
- (vi) The amount overdue and outstanding at the close of the year payable to Small-Scale and Ancillary industries as defined by the Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993, is Nil as certified by the management.
- (vii) **Impairment of Assets**

There have been no cases of impairment of assets reported during the year.

#### **Annexure -E Statement of Tax Shelters**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax as per books (A)	356.08	57.28	98.06

Normal Corporate Tax Rate (%)	26.75%	26.00%	26.00%
Normal Corporate Tax Rate (Other Source)(%)	26.75%	26.00%	26.00%
MAT Rates	16.050%	15.600%	15.600%
Tax at notional rate of profits	95.25	14.89	25.50
<b>Adjustments:</b>			
<b>Permanent Differences(B)</b>			
Expenses disallowed under Income Tax Act, 1961	-	0.10	-
<b>Total Permanent Differences(B)</b>	<b>0.00</b>	<b>0.10</b>	<b>0.00</b>
<b>Income considered separately (C)</b>	-	-	-
<b>Total Income considered separately (C)</b>	-	-	-
<b>Timing Differences (D)</b>			
Difference between tax depreciation and book depreciation		4.96	1.68
Dep As Per Book	-	20.08	10.46
Dep As Per Income Tax	-	15.12	8.78
Difference due to any other items of addition u/s 28 to 44DA	-	-	-
<b>Total Timing Differences (D)</b>	-	<b>4.96</b>	<b>1.68</b>
<b>Net Adjustments E = (B+C+D)</b>	-	<b>5.06</b>	<b>1.68</b>
<b>Tax expense / (saving) thereon</b>	-	-	-
<b>Income from Other Sources (F)</b>	-	-	-
<b>Loss of P.Y. Brought Forward &amp; Adjusted(G)</b>	-	-	-
<b>Taxable Income/(Loss) (A+E+F+G)</b>	<b>356.08</b>	<b>62.34</b>	<b>99.74</b>
Tax At Normal rate	95.25	16.21	25.93
Tax At MAT	57.15	8.94	15.30

#### Annexure – F Reconciliation of Restated profit

(₹ In Lacs)

Adjustments for	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	0.00	0.00	0.00
<b>Adjustments for</b>			
Current Income Tax Provision	0.00	0.00	0.00
Total Adjustments	0.00	0.00	0.00
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

#### Annexure – G Reconciliation of Other Equity

(₹ In Lacs)

Adjustments for	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Reserve & Surplus as per Audited Balance Sheet	0.00	0.00	193.00
<b>Adjustments for</b>			
Tax provision of FY 2018-19			1.07
Excess Provision written back	0.00	0.00	
Opening Balance Difference			
<b>Total Adjustments</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
Reserve & Surplus as Restated	0.00	0.00	191.93

**Annexure - H Other Current Liabilities**

(₹ In Lacs)

Adjustments for	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Other Current Liabilities as per balance Sheet	(22.34)	180.86	6.65
<b>Adjustments for</b>			
GST Payable	23.65	4.92	38.87
CTs Payable	0.05		
Other Liabilities	0.99		
<b>Other Current Liabilities as per Restated</b>	<b>2.35</b>	<b>185.78</b>	<b>45.52</b>

**Annexure - I Reconciliation of Asset Side**

(₹ In Lacs)

Adjustments for	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>Cash and Bank Balance</b>	1.89	13.93	19.4
Less: Tax Payment		1.07	1.07
Cash and Bank balance as per restated	1.89	12.86	18.33
<b>Short term Loans And Advances as per balance Sheet</b>	388.5	452.92	173.33
Adjustment for			
GST Payable	23.65	4.92	38.87
CTs Payable	0.05		
Balance With Government Authorities	23.70	4.92	38.87
<b>Cash and Bank Balance as per Restated</b>	<b>412.20</b>	<b>457.84</b>	<b>212.2</b>

**Annexure - J Summary of Accounting Ratios**

(₹ In Lacs)

Ratios	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Restated PAT as per P&L Account	250.66	41.34	71.63
EBIDTA	659.99	106.42	118.75
<b>PREBONUS</b>			
Adjusted Earnings Per Share (Rs.)			
Basic & Diluted	5.39	1.03	1.79
Net Asset Value	42.67	30.86	29.83
<b>POST BONUS</b>			
Basic & Diluted	1.71	0.30	0.51
Net Asset Value	13.55	8.82	8.52
Return on Net Worth ( in %)	12.63	3.35	6.00
Net Worth	1,985.00	1,234.34	1,193.00
Weighted Average Number of Equity Shares at the end of the Year	4,652,055	4,000,000	4,000,000
No. of equity shares at the end of the year	5,000,000	4,000,000	4,000,000
Bonus issue of Shares	10,000,000	10,000,000	10,000,000
Current Asset	5,823.88	5,835.75	3,372.07
Current Liability	4,348.30	5,082.78	1,793.39
<b>Current Ratio</b>	1.34	1.15	1.88
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00

**Notes –**

1. Ratios have been calculated as below

**Basic and Diluted Earnings Per Share (EPS) (Rs.)**

Restated PAT attributable to Equity/Shareholder

Weighted Average Numbers of Equity Shares outstanding during the year

**Return on Net Worth (%)**

Restated PAT attributable to Equity/Shareholder

Net Worth\*100

**Net Asset Value per equity share (Rs.)**

Net Worth

Weighted Average Numbers of Equity Shares outstanding during the year

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

3. Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4. The figures disclosed above are based on the Restated Financial Statements of the Company.

**Annexure - K Accounting Ratios**

(₹ In Lacs)

S. No.	Ratios	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	Reason for Movements
(a)	Current Ratio	1.34	1.15	1.88	The Current Ratio improves in 2022 as compared to 2021
(b)	Debt-Equity Ratio	1.59	1.68	0.36	In the FY 2020 the company had not borrowed funds but due to growth of business, the company had borrowed funds and the Debt Equity Ratio is reasonable
(c)	Debt Service Coverage Ratio	2.37	3.66	11.61	The debt Service Coverage ratios good
(d)	Return on Equity Ratio	2.95%	0.39%	34.35%	Due to Covid -19, the Return was low in FY 2021 and it has improved in Fy 2022
(e)	Inventory turnover ratio (in times)	9.19	47.39	11.87	Inventory turnover ratio is recuing year by year
(f)	Trade Receivables turnover ratio (in times)	11.04	2.06	4.35	In the Year FY 2021-2022, the Trade receivable Ratio is increased significantly since the company has higher Trade Receivable outstanding at the end of the year.
(g)	Trade payables turnover ratio (in times)	17.19	2.63	5.01	In the Year FY 2021-2022, the Trade Payable Ratio is increased significantly since the company has higher Trade Payable outstanding at the end of the year.

(h)	Net capital turnover ratio (in times)	18.42	14.07	6.33	In the Year FY 2021-2022, the Net Capital Turnover Ratio is increased significantly since the company has plenty of working capital available to pay off its debts.
(i)	Net profit ratio	0.92%	0.39%	0.71%	Net Profit Ratio is increased significantly because Revenue is increased & other fixed overheads are not increased in that proportion
(j)	Return on Capital employed	12.63%	3.35%	6.00%	Return on Capital employed increased significantly because Revenue & Net Profit are increased.
(k)	Return on investment	NA	NA	NA	NA

#### Annexure - L Related Party Transactions

##### List of Relatives

3. Harsha Sharma
4. Anil Runthala

##### List of concerns in which directors are interested

4. BRR Enterprise Private Limited
5. Vedlu Worldwide Private Limited
6. Maxrun Overseas LLP

(₹In Lacs )

Particulars	Relation	For the year ended on March 31,2022	For the year ended on March 31,2021	For the year ended on March 31,2020
<b>Remuneration</b>				
Harsha Sharma	Director	6.00		
Anil Runthala	Director	6.00		
<b>Unsecured Loan</b>				
<b>Anil Runthala</b>	Director			
OP. Balance				
Accepted During the Year		284.69		-
Paid during the Year		194.72		-
Closing Balance		89.97		
<b>Harsha Sharma</b>	Director			
OP. Balance		6.34		
Accepted During the Year		319.84	48.10	
Paid during the Year		326.18	41.76	
Closing Balance			6.34	
<b>BRR Enterprise Private Limited</b>	Company in which director are Interested			
OP. Balance		116.09		
Accepted During the Year		51.09		
Paid during the Year		649.90		
Closing Balance		482.72		

#### Annexure - M Capitalisation Statement as at 31st March, 2022

(₹ In Lacs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	2,525.43	2,525.43
Long Term Debt (B)	623.95	623.95
<b>Total debts (C)</b>	<b>3,149.38</b>	<b>3,149.38</b>
<b>Shareholders' funds</b>		
Equity share capital	500.00	1,169.00
Reserve and surplus - as restated	1,485.00	3,826.50
<b>Total shareholders' funds</b>	<b>1,985.00</b>	<b>4,995.50</b>
<b>Long term debt / shareholders funds</b>	0.31	0.12
<b>Total debt / shareholders funds</b>	1.59	0.63

**Note 1 SHARE CAPITAL**

Share Capital	As at 31st March 2022		As at 31st March 2021		As at 31st March 2020	
	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs
<b>Authorised</b>						
Equity Shares of Rs.10 each	5,000,000	500.00	4,000,000	400.00	4,000,000	400.00
<b>Issued</b>						
Equity Shares of Rs.10 each	5,000,000	500.00	4,000,000	400.00	4,000,000	400.00
<b>Subscribed &amp; Paid up</b>						
Equity Shares of Rs.10 each fully paid up	5,000,000	500.00	4,000,000	400.00	4,000,000	400.00
Capital Account	-	-	-	-	-	-
<b>Total</b>	5,000,000	500.00	4,000,000	400.00	4,000,000	400.00

**Note 1.1 RECONCILIATION OF NUMBER OF SHARES**

Name of Shareholder	Equity Shares		Equity Shares		Equity Shares	
	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs
Shares outstanding at the beginning of the year	4,000,000	400.00	4,000,000	400.00	4,000,000	400.00
Shares issued during the year	1,000,000	100.00	-	-	-	-
Shares outstanding at the end of the year	5,000,000	500.00	4,000,000	400.00	4,000,000	400.00

**Note 1.2 Details of Shares held by shareholders holding more than 5% of the aggregate shares in the co.**

Name of Shareholder	As at 31st March 2022		As at 31st March 2021		As at 31st March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Harsha Sharma	1,300,000	26.00%	700,000	17.50%	2,750,000	68.75%
Anilkumar Runthala	150,000	3.00%	150,000	3.75%	150,000	3.75%
Pankaj Goenka	2,600,000	52.00%	2,200,000	55.00%	500,000	12.50%

**Note 1.3 Details of Shares held by Promoters & Promotor Group**

Name of Shareholder	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
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	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Harsha Sharma	1,300,000	26.00%	700,000	17.50%	2,750,000	68.75%
Anilkumar Runthala	150,000	3.00%	150,000	3.75%	150,000	3.75%

### Note 2 RESERVES AND SURPLUS

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>A. Securities Premium Account</b>			
Opening Balance	600.00	600.00	600.00
Add : Securities premium credited on Share issue	400.00	-	-
Less : Premium Utilised for various reasons	-	-	-
For Issuing Bonus Shares	-	-	-
Closing Balance	1,000.00	600.00	600.00
<b>A. Profit &amp; Loss Account</b>			
Opening balance	234.34	193.00	121.37
(+) Net Profit/(Net Loss) For the current year	250.66	41.34	71.63
(-)Transfer to Reserve		-	-
Closing Balance	<b>485.00</b>	<b>234.34</b>	<b>193.00</b>
<b>Total</b>	<b>1,485.00</b>	<b>834.34</b>	<b>793.00</b>

### Note 3 LONG TERM BORROWINGS

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>Secured</b>			
<b>Car Loan from Bank</b>	<b>51.02</b>	<b>62.86</b>	-
Less : Current Maturities	-	-	-
Sub-total (a)	<b>51.02</b>	<b>62.86</b>	-
<b>Unsecured</b>			
<b>(a) Loans &amp; Advances from Promoters/Promoter Group/Group Companies</b>			
From Directors and Shareholders	<b>160.53</b>	82.34	409.40
From Others	412.40	530.28	24.03
Sub- total (b)	<b>572.93</b>	<b>612.62</b>	<b>433.43</b>
<b>Total</b>	<b>623.95</b>	<b>675.48</b>	<b>433.43</b>

### Note 4 SHORT TERM BORROWINGS

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>Secured</b>			
<b>Cash Credit from Bank</b>	2,525.43	1,399.43	-
<b>Total</b>	<b>2,525.43</b>	<b>1,399.43</b>	-
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</b>			
1. Period of default	-	-	-
2. Amount	-	-	-

### Note 5 TRADE PAYABLES

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Micro, Small and Medium Enterprise	-	-	-
(b) Others	2,000.73	3,481.63	1,742.44
<b>Total</b>	<b>2,000.73</b>	<b>3,481.63</b>	<b>1,742.44</b>

**Note 5.1 Trade Payable Ageing Schedule**

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>Undisputed Dues</b>			
(a) Micro, Small and Medium Enterprise			
Less than 1 Year	-	-	-
1 to 2 Years	-	-	-
2 to 3 Years	-	-	-
More than 3 Years	-	-	-
(b) Others			
Less than 1 Year	1,852.46	2,973.00	1,510.11
1 to 2 Years	148.27	508.63	148.56
2 to 3 Years	-	-	83.77
More than 3 Years	-	-	-
<b>Total</b>	<b>2,000.73</b>	<b>3,481.63</b>	<b>1,742.44</b>

**Note 6 OTHER CURRENT LIABILITIES**

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Statutory Remittance	-	-	41.5
Audit Fee Payable	0.75	0.50	0.25
TDS Payable	0.61	8.76	0.27
TCS Payable	-	5.16	-
GST			
Other Payables	0.99	168.15	-
Creditors for Expenses	-	3.21	3.50
<b>Total</b>	<b>2.35</b>	<b>185.78</b>	<b>45.52</b>

**Note 7 SHORT TERM PROVISIONS**

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>Provision For</b>			
Income Tax	122.09	15.94	5.43
Other Provisions	-	-	-
<b>Total</b>	<b>122.09</b>	<b>15.94</b>	<b>5.43</b>

**Note 9 LONG TERM LOANS AND ADVANCES**

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(Unsecured and Considered Good)	-	-	-



Balance With Statutory and Govt Authorities	-	-	-
Other Advances	-	-	-
Business Development Expenses	-	-	-
<b>Total</b>	-	-	-

**Note 10 OTHER NON CURRENT ASSETS**

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Preliminary Expenses	-	-	0.57
<b>Total</b>	-	-	<b>0.57</b>

**Note 11 INVENTORIES**

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Finsihed Goods	3250.01	223.63	842.59
<b>Total</b>	<b>3250.01</b>	<b>223.63</b>	<b>842.59</b>

**Note 12 TRADE RECEIVABLES**

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(Unsecured and Considered Good)			
<b>a. From Directors/Promoters/ Promoter Group/Associates/ Relatives of Directors / Group Companies</b>			
Over Six Months	-	-	-
Others	-	-	-
<b>b. From Others</b>			
Upto 6 Months	1,218.35	3,824.22	2,196.00
6 Months to 1 Year	-	822.89	-
1 to 2 Years	749.42	391.37	102.95
2 to 3 Years	391.37	102.94	-
More Than 3 Years	102.94	-	-
<b>Total</b>	<b>2,462.08</b>	<b>5,141.42</b>	<b>2,298.95</b>

**Note 13 CASH AND CASH EQUIVALENTS**

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>a. Balances with banks</b>			
Bank Balance	0.54	0.18	1.19
<b>b. Cash on hand</b>	1.35	12.68	17.14
<b>c. Fixed Deposits</b>			
Margin money having more than 3 Months Initial maturity but less than 12 months	-	-	-
Margin money having more than 12 Months Initial maturity	-	-	-
<b>Total</b>	<b>1.89</b>	<b>12.86</b>	<b>18.33</b>

**Note 14 SHORT TERM LOANS AND ADVANCES**

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(Unsecured and Considered Good)			
<b>a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company</b>	-	-	-
<b>b. Balance with Government Authorities</b>	355.04	304.81	128.01
<b>c. Others (specify nature)</b>			
Advances Receivable in cash or kind	12.20	12.46	0.89
Advance to Suppliers	44.96	140.57	83.30
<b>Total</b>	<b>412.20</b>	<b>457.84</b>	<b>212.20</b>

**NOTE 8 Property, Plant and Equipment**

(₹ In Lacs)

Particulars	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 April 2021	Additions	Disposals/ Adjustment	Balance as at 31 March 2022	Balance as at 1 April 2021	Amount Charged to Reserves	Depreciation charge for the year	Deductions/ Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 1 April 2021
<b>a Tangible Assets</b>											
Computer	2.54	-	-	2.54	0.89	-	1.03	-	1.92	0.62	1.65
Furniture and Fixtures	0.44	-	-	0.44	0.26	-	0.03	-	0.29	0.15	0.18
Office Equipments	1.24	-	-	1.24	0.26	-	0.18	-	0.44	0.80	0.98
CCTV Camera	0.27	-	-	0.27	0.20	-	0.02	-	0.22	0.05	0.07
Machineries	67.32			67.32	29.19		6.90		36.09	31.23	38.13
Air Condition	0.34			0.34	0.01		0.08		0.09	0.25	0.33
Vehicle	75.44			75.44	10.46		16.82		27.28	48.16	64.98
Land	1,050.33			1,050.33	-				-	1,050.33	1,050.33
<b>Total</b>	<b>1,197.92</b>	<b>-</b>	<b>-</b>	<b>1,197.92</b>	<b>41.27</b>	<b>-</b>	<b>25.06</b>		<b>66.33</b>	<b>1,131.59</b>	<b>1,156.65</b>

(₹ In Lacs)

Particulars	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 April 2020	Additions	Disposal / Adjustment	Balance as at 31 March 2021	Balance as at 1 April 2020	Amount Charged to Reserves	Depreciation charge for the year	Deduction s/ Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 1 April 2019
<b>a Tangible Assets</b>											
Computer	0.65	1.89	-	2.54	0.60	-	0.29	-	0.89	1.65	0.05
Furniture and Fixtures	0.44	-	-	0.44	0.20	-	0.06	-	0.26	0.18	0.24
Office Equipments	0.06	1.18	-	1.24	0.04	-	0.22	-	0.26	0.98	0.02
CCTV Camera	0.27	-	-	0.27	0.15	-	0.05	-	0.20	0.07	0.12
Machineries	67.32			67.32	20.77		8.42		29.19	38.13	46.55
Air Condition		0.34		0.34			0.01		0.01	0.33	
Vehicle		75.44		75.44			10.46		10.46	64.98	-
Land		1,050.33		1,050.33						1,050.33	
<b>Total</b>	<b>68.74</b>	<b>1,129.18</b>	<b>-</b>	<b>1,197.92</b>	<b>21.76</b>	<b>-</b>	<b>19.51</b>	<b>-</b>	<b>41.27</b>	<b>1,156.65</b>	<b>46.98</b>

(₹ In Lacs)

Particulars	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 April 2020	Additions	Disposal / Adjustment	Balance as at 31 March 2021	Balance as at 1 April 2020	Amount Charged to Reserves	Depreciation on charge for the year	Deductions / Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 1 April 2019
<b>a Tangible Assets</b>											
Computer	0.65	-	-	0.65	0.51	-	0.09	-	0.60	0.05	0.14
Furniture and Fixtures	0.44	-	-	0.44	0.15	-	0.05	-	0.20	0.24	0.29
Office Equipments	0.06	-	-	0.06	0.03	-	0.01	-	0.04	0.02	0.03
CCTV Camera	0.27	-	-	0.27	0.12	-	0.03	-	0.15	0.12	0.15
Machineries	67.32	-	-	67.32	10.49	-	10.28	-	20.77	46.55	56.83
<b>Total</b>	<b>68.74</b>	<b>-</b>	<b>-</b>	<b>68.74</b>	<b>11.30</b>	<b>-</b>	<b>10.46</b>	<b>-</b>	<b>21.76</b>	<b>46.98</b>	<b>57.44</b>
<b>b Intangible Assets</b>											
Software		-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>68.74</b>	<b>-</b>	<b>-</b>	<b>68.74</b>	<b>11.30</b>	<b>-</b>	<b>10.46</b>	<b>-</b>	<b>21.76</b>	<b>46.98</b>	<b>57.44</b>

**Note 15 REVENUE FROM OPERATIONS**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of Goods			
Domestic	27,146.80	6,770.83	9,144.93
Export	-	3,758.51	780.32
Other Operative Revenue	-	-	-
Duty Draw Back	22.03	67.62	17.98
MEIS Incentive	7.85	-	-
ROSL Income	2.36	-	9.30
Fabrication income	-	-	11.68
Duty Credit Script-MEIS	3.80	-	36.03
<b>Total</b>	<b>27,182.84</b>	<b>10,596.96</b>	<b>10,000.24</b>

**Note16 OTHER INCOME**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Foreign Exchange Fluctuation	1.08	34.45	22.63
Discount	0.17	0.70	0.21
<b>Total</b>	<b>1.25</b>	<b>35.15</b>	<b>22.84</b>

**Note 17 PURCHASE OF MATERIAL**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Material Used	29,187.64	9,141.73	8,727.99
<b>Cost of Materials Consumed</b>	<b>29,187.64</b>	<b>9,141.73</b>	<b>8,727.99</b>

**Note 18 CHANGES IN INVENTORIES OF WORK IN PROGRESS**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Inventories at the end of the year</b>			
Finished Goods	2,956.52	223.63	842.59
<b>Inventories at the beginning of the year</b>			
Finished Goods	223.63	842.59	1,705.72
<b>Net(Increase)/decrease</b>	<b>(2,732.89)</b>	<b>618.96</b>	<b>863.13</b>

**Note 19 EMPLOYEE BENEFITS EXPENSES**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and Wages	30.59	29.45	89.61
Staff welfare expenses	4.35	0.97	0.29
<b>Total</b>	<b>34.94</b>	<b>30.42</b>	<b>89.90</b>

**Note 20 FINANCE COST**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
-------------	-------------------------------------	-------------------------------------	-------------------------------------

(a) Interest expense :-			
(i) Borrowings	270.74	16.70	10.23
(b) Other borrowing costs	8.11	12.36	-
<b>Total</b>	<b>278.85</b>	<b>29.06</b>	<b>10.23</b>

**Note 21 DEPRECIATION AND AMORTISATION**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation Exp	25.06	20.08	10.46
<b>Total</b>	<b>25.06</b>	<b>20.08</b>	<b>10.46</b>

**Note 22 OTHER EXPENSES**

(₹ In Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Audit Fees	0.55	0.25	0.15
General Expenses	0.54	1.37	2.41
Electricity Expenses	-	1.39	3.08
Import/Export Charges	-	9.91	3.03
Freight Charges	-	17.25	0.44
Factory Consumables	-	-	0.44
Job work Expenses	-	118.63	64.65
Overseas Commission	-	507.83	100.97
GST Expenses	0.85	7.49	0.53
Membership Fees	-	0.55	0.17
Conveyance Expenses	-	0.08	1.27
Hotel and travelling Expenses	6.48	14.33	12.04
Repairs and Maintenance	2.09	0.45	0.25
Rent	3.52	2.60	6.60
Stitching and Labour Charges	-	-	13.87
Packing Material	2.14	-	7.72
Printing and Stationery	0.02	-	0.05
Roc Fees	2.07	-	0.32
Legal and Professional Fees	1.90	7.78	1.84
Transportation Expenses	-	3.73	3.35
Website Development	-	-	0.13
Sales Promotion	11.23	2.30	-
Interest On GST	-	0.34	-
Brokerage	-	0.14	-
Interest On Income Tax	-	11.57	-
Income Tax Penalty	-	0.10	-
Loading and Unloading Charges	-	1.71	-
Stamp Duty Charges	-	19.22	-
Computer Expenses	0.08	-	-
Insurance	5.08	5.56	-
<b>Total</b>	<b>34.41</b>	<b>734.58</b>	<b>223.31</b>

**Note 23 CONTINGENT LIABILITIES AND COMMITMENTS**

(₹ In Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>(a) Contingent Liabilities</b>			
a. Claims against the company not acknowledged as	-	-	-

debts			
b. Guarantees	-	-	-
c. Other Money for which the company is contingently liable	-	-	-
<b>(b) Commitments</b>	-	-	-
<b>Total</b>	-	-	-

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS**

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the Year ended on March 31, 2022, March 31, 2021, and March 31, 2020. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "*Risk Factors*" beginning on page 17 of this Draft Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") 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 "Haru Worldwide Limited" our Company. Unless otherwise indicated, financial information included herein are based on our "*Restated Financial Statements*" for Financial Year ended on March 31, 2022, March 31, 2021 and March 31, 2020 included in this Draft Prospectus beginning on page 102 of this Draft Prospectus.

### **BUSINESS OVERVIEW**

Our Company was incorporated in the year 2016 and the promoters of our Company are Mr. Anil Runthala and Ms. Harsha Sharma who have an experience of about decades in textile industry. They have a wide experience in textile industry and have been instrumental in determining the vision, growth and strategies for our Company. We believe that our market position has been achieved by adherence to the vision of our Promoters and well supported by qualified & experienced management at different levels with appropriate functional responsibilities.

Our Company is engaged in the business of trading printed fabrics, kaftan and Voil which we process through established job work arrangements and trading of Agriculture products. The Company policy was to make the quality product and deliver the product on time. Initially the Company was buying the grey fabrics from the Triupur and hand over to the printers in the Jetpur to get it printed as per our design and requirements. However the Grey fabrics purchased from various suppliers are hand over to printers for the printing work and any report regarding shrinkage and less weight in the grey fabrics create dispute between the suppliers. In order to avoid such problems and for smooth running, the Company had decided to get the printed finished fabrics from the Job Workers after supplying grey fabric from triupur. The Grey fabric supplier send the grey fabric to the printer on our behalf and payment was made by us. The designs are supplied by the Company after getting feedback from the market regarding the current trend and future demand of particular designs to the printer. The grey fabric which company is purchasing is above 140 to 190 GSM.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:**

After the date of last financial year i.e. March 31, 2022, there is no any significant development occurred in the Company.

### **KEY FACTORS AFFECTING THE RESULTS OF OPERATION:**

Our Company's future results of operations could be affected potentially by the following factors:

1. Changes in Laws and Regulations that apply to our Industry.
2. Changes in Fiscal, Economic or Political conditions in India
3. Company's inability to retain the experienced staff
4. Failure to adapt the changing technology in our industry of operation may adversely affect our business
5. Failure to comply with regulations prescribed by authorities of the jurisdiction in which we operate
6. Competition with existing and new entrants
7. Reduction of the sub contract from the big contracting Company.

### **OUR SIGNIFICANT ACCOUNTING POLICIES**



For Significant accounting policies please refer Significant Accounting Policies, “Annexure IV” beginning under Chapter titled “Restated Financial Information of our Company” beginning on page 102 of the Draft Prospectus.

## RESULTS OF KEY OPERATIONS

(₹ in lakhs)

Particulars	For the year ended on		
	31.03.2022	31.03.2021	31.03.2020
<b>Income from continuing operations</b>			
Domestic	27146.8	6770.83	9,144.93
Export		3758.51	780.32
Other Operating Revenue	36.04	67.62	74.99
Revenue from Operations	27,182.84	10,596.96	10,000.24
<b>% of Growth</b>	<b>156.52</b>	<b>5.97</b>	
Other Income	1.25	35.15	22.84
<b>Total Revenue</b>	<b>27,184.09</b>	<b>10,632.11</b>	<b>10,023.08</b>
<b>% of growth</b>	155.68	6.08	
<b>Expenses</b>			
Purchase of Material	29,187.64	9,141.73	8,727.99
% total Revenue	107.38	86.27	87.28
Change in Inventory	-2732.89	618.96	863.13
% total Revenue	(10.05)	5.84	8.63
Material used	26,454.75	9,760.69	9,591.12
% to total Revenue	97.32	92.11	95.91
Employee benefits expense	34.94	30.42	89.90
<b>% Increase/(Decrease)</b>	14.86	(66.16)	
Finance Costs	278.85	29.06	10.23
<b>% Increase/(Decrease)</b>	859.57	184.07	
Other expenses	34.41	734.58	223.31
<b>% Increase/(Decrease)</b>	(95.32)	228.95	
Depreciation and amortisation expenses	25.06	20.08	10.46
<b>% Increase/(Decrease)</b>	24.80	91.97	
<b>Total Expenses</b>	<b>26,828.01</b>	<b>10,574.83</b>	<b>9,925.02</b>
% to total revenue	98.69	99.79	99.25
<b>EBDITA</b>	<b>659.99</b>	<b>106.42</b>	<b>118.75</b>
<b>% to total revenue</b>	2.43	1.00	1.19
<b>Restated profit before tax from continuing operations</b>	356.08	57.28	98.06
<b>Exceptional Item</b>			
Total tax expense	105.42	15.94	21.00
<b>Restated profit after tax from continuing operations (A)</b>	250.66	41.34	77.06
<b>% to total revenue</b>	<b>0.92</b>	<b>0.39</b>	<b>0.77</b>

### COMPARISON OF F.Y. 22 WITH F.Y. 2021:

#### Income from Operations

Our Company is engaged in the business of trading printed fabrics, kaftan and Voil which we process through established job work arrangements. Initially the Company was buying the grey fabrics from the Tripura and hand over to the printers in the Jetpur to get it printed as per our design and requirements. However the Grey fabrics purchased from various suppliers are hand over to printers for the printing work. However any report regarding shrinkage and less weight in the grey fabrics create dispute between the suppliers. IN order to avoid such problems and for smooth running, the Company had decided to get the printed fabrics from the Grey Fabric suppliers after getting it printed from the decided printers of Jetpur by the Company. The printers from the work

to be done and designs are supplied by the Company after getting feedback from the market regarding the current trend and future demand of particular designs. The grey fabric which company is purchasing is above 140 to 190 GSM.

In the F.Y.2021-22, the Company's total revenue from operations was ₹27182.84 lacs consist of domestic sales, which is increased by 156.52 % in compare to total Income of ₹10596.96 Lakhs, consist of Domestic sale of ₹6770.83 lacs and Export sale of ₹ 3758.51 lacs, in F.Y. 2020-21. The Company had changed the policy of direct export and instead of direct export sold the goods to the local parties who are exporting the goods. On account of Covid-19, various infrastructure problems arise and the cost of logistic had also gone up. Apart from that due to limited vessels available for export, the delay in delivery of goods and huge blocking of funds in working capital , the company had changed the policy in FY 2021-22.

### **Other Income**

In the FY 2021-22 the Other income was ₹1.25 lacs against the other income of ₹35.15 lacs in the FY 2020-21. The other income in FY 2020-21 includes the gain on account of fluctuation of Foreign Exchange which was nil as the company had not exported goods in FY 2021-22.

### **Expenditure:**

#### **Material Used**

The total cost of material purchased was ₹26454.75 lacs in FY 2020-21 as compared to ₹ 9760.69 lacs in The FY 2020-21. The direct cost of Material used was 97.32% in FY 2021-22 as compared to 92.11 % in the FY 2020-21. The increase in the cost of material in the FY 2021-22 as compared to FY 2020-21 was on account of was on account of change in the product mix.

#### **Employee Benefits Expenses:**

The Employee expenses for F.Y. 2021-22 was ₹34.94 Lakhs against the expenses of ₹30.42 Lakhs in F.Y. 2020-21 showing increase by 14.86 %. The Increase in the employee expenses was on account of normal increase of the salary of the staff.

#### **Finance Cost:**

The Finance Cost for the F.Y. 2021-22 was ₹278.85 Lakhs against the cost of ₹29.06 Lakhs in the F.Y. 2020-21 showing increase by 859.57 %. The Increase in the Finance Charges are on account of full utilization of the cash credit limit in the FY 2021-22. The outstanding limit as on March 31,2022 was ₹2525.43 lacs as against ₹1399.43 lacs as on March 31,2021. Though the outstanding cash credit as on March 31,2021 was ₹ 1399.43, the overall utilization of the limit in FY 2020-21 was less as compared to FY 2021-22.

#### **Depreciation**

Depreciation was ₹ 25.06 Lakhs for the F.Y. 2021-22 as compare to ₹20.08 Lakhs in F.Y. 2019.20. The increase in the Depreciation is on account of full year depreciation in the FY 2021-22 on the vehicles purchased in the FY 2020-21

#### **Other Expenses**

Other Expenses Decreased to ₹ 34.41 lakhs for F.Y. 2021-22 against ₹734.58 Lakhs in F.Y. 2020-2021 showing decrease of 95.32 %. The other expenses Decrease substantially on account of the change of policy from selling goods to Indian customers instead of direct export. The company had to pay commission for overseas sale and the amount was included in the Other Expenses. In the FY 2020-21 Overseas Commission was ₹507.83 lacs which was nil in FY 2021-22.

#### **EBDITA**

The EBDITA for F.Y. 2021-22 was ₹ 659.99 Lakhs as compared to ₹106.42 Lakhs for F.Y. 2020-21. The EBDITA was 2.43 % of total Revenue in FY 2021-22 as compared to 1.00 % in FY 2020-21. The EBDITA increased in FY 2021-22 compared to FY 2020-21 on account of increase of business by 156.52 % in compare to F.Y. 2020-21.

### **Profit after Tax (PAT)**

PAT is ₹ 250.66 Lakhs for the F.Y. 2021-22 as compare to ₹41.34 Lakhs in F.Y. 2020-21. The PAT was 0.92% of total revenue in F.Y. 2021-22 compared to 0.39 % of total revenue in F.Y. 2020-21. The profit is increased on account of increase of the revenue by 156.52 % in FY 2021-22 as compared to FY 2020-21.

### **COMPARISON OF F.Y. 2020-21 WITH F.Y. 2019-20:**

#### **Income from Operations**

In the F.Y. 2020-2021 Company's total revenue was ₹10596.96 Lakhs, which was increased by 5.97 % in compare to F.Y. 2019-20 total Income of ₹10000.24 Lakhs. The total income of FY 2020-21 included Export sale of ₹3758.51 lacs while it was ₹ 780.32 lacs in FY 2019-20. The average growth of business was 5.97% in FY 2020-21. The year was affected by COVID-19 and the business growth was not as expected by the Promoter.

#### **Other Income**

In the FY 2021-22 the Other income was ₹ 35.15 lacs against the other income of ₹22.84 lacs in the FY 2020-21. The other income includes the gain on account of fluctuation of Foreign Exchange.

#### **Expenditure:**

##### **Material used**

The total cost of material purchased was ₹9760.69 lacs in FY 2020-21 as compared to ₹ 9591.12 lacs in The FY 2019-20. The direct cost of Material purchased was 92.11 % in FY 2020-21 as compared to 95.91 % in the FY 2019-20. The Decrease in the cost of material in the FY 2020-21 as compared to FY 2019-20 was on account of change in the product mix.

##### **Employee Benefits Expenses:**

The Employee expenses for F.Y. 2020-21 was ₹30.42 Lakhs against the expenses of ₹89.90 Lakhs in F.Y. 2019-20 showing decrease by 66.16 %. On account of COVID-19 the Employees in the factory has left the job hence, the staff strength is reduced. Due to reduction in the staff strength in F.Y 2020-21 the employee cost was decreased by 66.16%.

##### **Finance Cost:**

The Finance Cost for the F.Y. 2020-21 was ₹29.06 Lakhs against the cost of ₹10.23 Lakhs in the F.Y. 2019-20. The Company had enjoyed working capital limit in FY 2020-21 higher in compare to utilization in FY 2019-20.

##### **Depreciation**

Depreciation was ₹ 20.08 Lakhs for the F.Y. 2020-21 as compare to ₹10.46 Lakhs in F.Y. 2019.20. The increase in the Depreciation is on account of addition of assets by ₹1129.18 lacs in the FY 2020-21. Out of that the asset having value of ₹1050.33lacs was land and no depreciation is required to be providing on the Land.

##### **Other Expenses**

Other Expenses increased to ₹ 734.58 Lakhs for F.Y. 2020-21 against ₹ 223.31 Lakhs in F.Y. 2019-20 showing increase of 228.95%. The increase in the Other expenses was on account of increase in overseas commission from ₹100.97 lacs in FY 2019-20 to ₹507.83 lacs in FY 200-21. The export of the company was increased from ₹780.32 lacs in FY 2019-20 to 3758.51 lacs in FY 2020-21 showing increase by 381.66 %.

##### **EBDITA**

The EBDITA for F.Y. 2020-21 was ₹106.42 Lakhs as compared to ₹118.75 Lakhs for F.Y. 2019-20. The EBDITA was 1.00 % of total Revenue as compared to 1.19 % in F.Y. 2019-20. The EBDITA has decreased marginally in FY 2020-21.

#### **Profit after Tax (PAT)**

PAT is ₹41.34 lakhs for the F.Y. 2020-21 in compare to ₹77.06 Lakhs in F.Y. 2019-20. The PAT was 0.39 % of total revenue in F.Y. 2020-21 compared to 0.77% of total revenue in F.Y. 2019-20. The PAT has been reduced on account of COVID 19, the overseas commission has been increased substantially which had effected the profitability of the company.

#### **Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**1. Unusual or infrequent events or transactions**

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years other than shut down of business due to COVID-19.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "*Risk Factors*" beginning on page 17 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

**3. Income and Sales on account of major product/main activities**

Income and sales of our Company on account of major activities derives from trading printed fabrics, kaftan and Voil which we process through established job work arrangements

**4. Whether the company has followed any unorthodox procedure for recording sales and revenues**

Our Company has not followed any unorthodox procedure for recording sales and revenues.

**5. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled "*Risk Factors*" beginning on page 17 in this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

**7. Total turnover of each major industry segment in which the issuer company operated.**

The Company is in the business of trading printed fabrics, kaftan and Voil which we process through established job work arrangements, the relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page no 61 of this Draft Prospectus.

**8. Status of any publicly announced new products or business segment.**

Our Company has not announced any new services or business segment.

**9. The extent to which business is seasonal.**

Our Company's business is not seasonal.

**10. Any significant dependence on a single or few suppliers or customers.**

Our Company is not dependent on any single or few suppliers of customers.

**11. Competitive conditions.**

Competitive conditions are as described under the Chapters titled "*Industry Overview*" and "*Business Overview*" beginning on pages 61 and 67, respectively of this Draft Prospectus.

## FINANCIAL INDEBTEDNESS

### (A) Secured Loan

Our Company has availed Credit Facility in the ordinary course of business.

Name of the Bank/ NBFC	Amount Sanctioned (Rs in Crores)	Outstanding as on March 31,2022(Rs. In Crores)	Tenure	Rate of Interest	Security	Guarantee	Charge ID
State Bank of India (cash Credit)	25.00	25.25	12 months (Subject to Review)	10.65%	<p>1. Registered Mortgage of Non-Agricultural Industrial Land Situated at Survey no. 530(Old Survey no. 184) Mouje: Rupavati, Taluka: Sanand, Dist.: Ahmedabad, Situated at lying and being at mouje Rupavati, Taluka Sanand, in the Registration Sub-district of Sanand and District of Ahmedabad in the name of BRR Udhyog Private Limited (Document No.: 9903) Total Area: 3237.00 Sq M</p> <p>2. Registered Mortgage of Non-Agricultural Industrial Land Situated at Survey no.529 (Old Survey no. 183) Mouje: Rupavati, Taluka: Sanand, Dist.: Ahmedabad, Situated at lying and being at mouje Rupavati, Taluka Sanand, in the Registration Sub-district of Sanand and District of Ahmedabad in the name of BRR Udhyog Private Limited (Document No.: 9904) Total Area: 6067.00 Sq M</p> <p>3. Registered Mortgage of Non-Agricultural Industrial Land Situated at Survey no. 525 (Old Survey no. 181) Mouje: Rupavati, Taluka: Sanand, Dist.: Ahmedabad, Situated at lying and being at</p>	<p>1. Mrs. Harsha Sharma</p> <p>2. Mr. Pankaj Sanwar mal Goenka</p>	100426174

					mouje Rupavati, Taluka Sanand, in the Registration Sub- district of Sanand and District of Ahmedabad in the name of BRR Udhyog Private Limited (Document No.: 9905) Total Area: 5968.90 Sq M		
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**Other Terms & Conditions:**

- Current account with ICICI Bank to be closed before disbursement;
- Margin on receivables to be maintained at 50.00%;
- Half yearly stock and receivable audit to be carried out;
- Comprehensive inventory insurance coverage to be obtained covering inventory of all the locations;
- Adequate pre and post shipment cover from ECGC or approved agencies to be obtained;
- The unit should not be dissolved /reconstituted without obtaining Bank's prior approval in writing. Post-facto approval of reconstitution /dissolution will not be accorded nor the existing guarantors shall be released if the dissolution /reconstitution is effected without prior approval in writing;
- The Bank will have the option of appointing its nominee on the Board of Directors of the unit to look after its interests;
- In case the unit fails to complete the formalities with regard to creation of charge in favor of the Bank within a period of two months from the date of this letter, an enhanced interest of 1% on the outstandings or reduction of drawing power by 10% /20% or both will be considered without any reference to the unit;
- During the currency of Bank's credit facilities, the unit/Guarantor will not, without the Bank's prior permission in writing:
  - Effect any change in the unit's capital structure;
  - Implement any scheme of expansion /modernization /diversification /renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by the Bank;
  - Formulate any scheme of amalgamation or reconstruction;
  - Invest byway of share capital or lend or advance fund to or place deposits with any other concern, including sister /associate/ family/ subsidiary/ group concerns. However, normal trade credit or security deposits in normal course of business or advances to employees can be excluded;
  - Enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, company or person;
  - Undertake guarantee obligations on behalf of any other company, firm or person;
  - Declares dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations;
  - Effect any drastic change in their management setup;
  - Effect any change in remuneration payable to the Directors/ Partners, etc. either in the form of sitting fees or otherwise;
  - Pay guarantee commission to the guarantors whose guarantees have been stipulated/ furnished for the credit limits sanctioned by the Bank;
  - Create any further charge, lien or encumbrance over the assets and properties of the unit/ guarantors to be charged/ charged to the Bank in favour of any other Bank, Financial Institution, Firm or Person;
  - Sell, assign, mortgage or otherwise dispose off any of fixed assets changed to the Bank;
  - Undertake any trading activity other than the sale of produce arising out of its own manufacturing /trading operations;
  - Open any account with any other bank, if already opened, the details thereof is to be given immediately and a confirmation to this effect given to the bank.

**(B) UNSECURED BORROWINGS**

As on March 31, 2022 the outstanding unsecured loans from the following parties

<b>Sr. No</b>	<b>Name of person</b>	<b>Amount outstanding as on March 31,2022(Rs in Lacs)</b>	<b>Terms of Repayment</b>	<b>Rate of Interest</b>
1	Anilkumar Runthala	89.98	On Demand	Interest Free
2	PankajkumarGoenka	70.56	On Demand	Interest Free
3.	Pradip Senjaliya	409.40	On Demand	Interest Free
4.	Anilkumar B Unthala HUF	3.00	On Demand	Interest Free

**OTHER FINANCIAL INFORMATION**

**Accounting Ratios**

(₹ In Lacs)

S. No.	Ratios	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	Reason for Movements
(a)	Current Ratio	1.34	1.15	1.88	The Current Ratio improves in 2022 as compared to 2021
(b)	Debt-Equity Ratio	1.59	1.68	0.36	In the FY 2020 the company had not borrowed funds but due to growth of business, the company had borrowed funds and the Debt Equity Ratio is reasonable
(c)	Debt Service Coverage Ratio	2.37	3.66	11.61	The debt Service Coverage ratios good
(d)	Return on Equity Ratio	2.95%	0.39%	34.35%	Due to Covid -19, the Return was low in FY 2021 and it has improved in FY 2022
(e)	Inventory turnover ratio (in times)	9.19	47.39	11.87	Inventory turnover ratio is recuing year by year
(f)	Trade Receivables turnover ratio (in times)	11.04	2.06	4.35	In the Year FY 2021-2022, the Trade receivable Ratio is increased significantly since the company has higher Trade Receivable outstanding at the end of the year.
(g)	Trade payables turnover ratio (in times)	17.19	2.63	5.01	In the Year FY 2021-2022, the Trade Payable Ratio is increased significantly since the company has higher Trade Payable outstanding at the end of the year.
(h)	Net capital turnover ratio (in times)	18.42	14.07	6.33	In the Year FY 2021-2022, the Net Capital Turnover Ratio is increased significantly since the company has plenty of working capital available to pay off its debts.
(i)	Net profit ratio	0.92%	0.39%	0.71%	Net Profit Ratio is increased significantly because Revenue is increased & other fixed overheads are not increased in that proportion
(j)	Return on Capital employed	12.63%	3.35%	6.00%	Return on Capital employed increased significantly because Revenue & Net Profit are increased.
(k)	Return on investment	NA	NA	NA	NA

**Capitalisation Statement as at 31st March, 2022**

(₹ In Lacs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	2,525.43	2,525.43
Long Term Debt (B)	623.95	623.95
<b>Total debts (C)</b>	<b>3,149.38</b>	<b>3,149.38</b>
<b>Shareholders' funds</b>		
Equity share capital	500.00	1,169.00
Reserve and surplus - as restated	1,485.00	3,826.50
<b>Total shareholders' funds</b>	<b>1,985.00</b>	<b>4,995.50</b>
<b>Long term debt / shareholders funds</b>	0.31	0.12
<b>Total debt / shareholders funds</b>	1.59	0.63



## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal or Civil proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“Materiality Policy”), in each case involving our Company, Promoters and Directors (the “Relevant Parties”).

For the purpose of point (V) above, our Board has considered and pass the Resolution for identification of material litigation involving the Relevant Parties in its meeting held on September 01, 2022 and has considered for identification of material litigation involving the Relevant Parties.

In terms of the Materiality, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters since incorporation including outstanding action, and tax matters, would be considered ‘material’ if:

(a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹ 15.00 lakhs shall be considered material; or

(b) the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on September 01, 2022 determined that outstanding dues to creditors in excess of ₹ 15.00 lakhs as per the restated financials for the period ended March 31, 2022 shall be considered as material dues (“Material Dues”).

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Prospectus.

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at [www.haruworlwide.com](http://www.haruworlwide.com). It is clarified that for the purposes of the above, pre litigations notices received by our Company Promoters, and the Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.

### PART I –LITIGATIONS INVOLVING OUR COMPANY

#### A. LITIGATIONS AGAINST OUR COMPANY

##### 1) Criminal Litigations

#### I. **Case filed by: DEEPAK SPINNERS LTD. (Amount ₹ 30,23,190) - Case under section 138 of Negotiable Instrument Act, Case No 671/2022 and 675/2022**

We purchase yarn in various counts and blends from Deepak Spinners Ltd., Baddi, (H.P.) (herein after referred as DSL) having administrative office in Chandigarh. Against the purchase of the yarns the Company had issued 3 cheques of Rs.9,51,619/-, Rs.10,71,571/- and Rs.10,00,000/- making total of ₹30,23,190 dated 15/11/2021 issued on ICICI Bank, C.G. Road Branch, towards the part payment of the total amount payable to them. The cheques were returned unpaid and DSL had filed Criminal Complaints against our company BRR Udhog Pvt. Ltd., along with signatories under Section 138 of Negotiable Instruments Acts in the Criminal Court, Chandigarh. The Court had issued summons to Company and others to appear on 03/10/2022.

- 2) Civil Proceedings - NIL
- 3) Taxation Matters

Sr. No	Assessment Year	Amount (₹ in Lacs)	Particular
1.	2020-21	288.66	Section 144 of Income Tax Act
2.	2021-22	25.81	Section 143(1) of Income Tax Act
3.	2019-20	0.67	Section 143(1) of Income Tax Act
4.	2018-19	1.78	Section 270A of Income Tax Act

- 4) Proceedings against Our Company for economic offences/securities laws/ or any other law - NIL
- 5) Penalties in Last Five Years - NIL
- 6) Pending Notices against our Company - NIL
- 7) Past Notices to our Company - NIL
- 8) Disciplinary Actions taken by SEBI or stock exchanges against Our Company - NIL
- 9) Defaults including non-payment or statutory dues to banks or financial institutions - NIL
- 10) Details of material frauds against the Company in last five years and action taken by the Companies. - NIL

#### **B. LITIGATIONS FILED BY OUR COMPANY**

- 1) Criminal Litigations - NIL
- 2) Civil Proceedings -NIL
- 3) Taxation Matters - NIL
- 4) Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law. - NIL

#### **PART II –LITIGATIONS INVOLVING DIRECTOR(S) OF OUR COMPANY**

##### **A. LITIGATIONS AGAINST DIRECTOR(S) OF OUR COMPANY**

- 1) Criminal Litigations against Director - Anil Runthala

**(i) Case filed by: DEEPAK SPINNERS LTD. (Amount ₹30,23,190) - Case under section 138 of Negotiable Instrument Act, Case No 671/2022 and 675/2022**  
(Already mentioned in criminal case against the Company)

**(ii) Criminal Complaint filed u/s 138 against for amount of BRR Enterprise Private Ltd. and our Anil Runthala for amount of ₹ 5,61,803/- ( criminal case no 928/2022)**

M/s. Khodal Processors (Khodal), Jetpur, were carrying out the job work of bleaching and processing of Grey cloth, on behalf of B.R.R. Enterprise Private Limited (herein after referred as "BRRE"). M/s Khodal Processors had deposited Cheque No. 933736 dated February 22, 2022 of ₹ 5,61,803/- of State Bank of India, SME Sanand Branch. The said cheque was returned by the bank with remark " Payment Stopped by Drawer". M/s. Khodal Processors had send the notice on 5<sup>th</sup> May 2022 for recovery of the said Cheque amount. The Company had replied on May 19,2022 that due to dispute with the sister concern M/s Jayraj Processors, the goods of the Company was hold. Khodal had filed the criminal case against the Company and Managing Director of the Company under section 138 of the Negotiable Instrument Act, 1881 in the Jetpur Taluka Court. The Hon'ble Taluka Court has issued Summons to the B.R.R. Enterprise Private Limited and the Anil Runthala, Managing Director to appear on October 04, 2022.

**(iii) Criminal Complaint filed u/s 138 against BRR Enterprise Private Ltd. and our Anil Runthala from amount of ₹ 10,77,530/- (criminal case no 2204/2022)**

M/s. Khodal Processors (Khodal) Jetpur, were carrying out the job work of bleaching and processing of Grey cloth, on behalf of B.R.R. Enterprise Private Limited (herein after referred as "BRRE"). M/s Khodal Processors had deposited Cheque No. 933737 of ₹ 5,91,169/- dated February 20, 2022 and Cheque No 933735 of ₹ 4,86,361/- dated February 21, 2022 of State Bank of India, SME Sanand Branch. The said cheques were returned by the bank with remark "Payment Stopped by Drawer". M/s. Khodal Processors had send the notice on March 15, 2022 for recovery of the said Cheques amount. The Company had replied

on March 31,2022 that due to dispute with the sister concern M/s Jayraj Processors, the goods of the Company was hold. Khodal had filed the criminal case against the Company and Managing Director of the Company under section 138 of the Negotiable Instrument Act, 1881 in the Jetpur Taluka Court The Hon'ble Taluka Court has issued Summons in both the matters to the B.R.R. Enterprise Private Limited and the Anil Runthala Managing Director to appear on October 07, 2022.

**(iv) Criminal Complaint filed u/s 138 against BRR Enterprise Private Ltd. and our Anil Runthala for amount of ₹43,99,802/- (Criminal case no 929/2022)**

M/s. Jayraj Processors (Jayraj) Jetpur, were carrying out the job work of Printing of Grey cloth and finishing on behalf of B.R.R. Enterprise Private Limited (herein after referred as "BRRE"). M/s. Jayraj Processors had deposited Cheque No. 933732 dated February 20, 2022 of ₹ 24,15,117/- and Cheque No 9337385 dated February 21, 2022 of ₹ 19,84,685/- of State Bank of India, SME Sanand Branch. The said cheques were returned by the bank with remark "Payment Stopped by Drawer". M/s. Jayraj Processors had send the notice on March 15, 2022 for recovery of the said Cheques amount. Jayraj had filed the criminal case against the Company and Managing Director of the Company under section 138 of the Negotiable Instrument Act, 1881 in the Jetpur Taluka Court. The Hon'ble Taluka Court has issued Summons to the B.R.R. Enterprise Private Limited and the Anil Runthala, Managing Director to appear on October 04, 2022.

2) Criminal Litigations against Director - Harsha Sharma

**Case filed by: DEEPAK SPINNERS LTD. (Amount ₹30,23,190) - Case under the section 138 of Negotiable Instrument Act, Case No 671/2022 and 675/2022**  
(already mentioned in criminal case against the Company)

3) Civil Proceedings

**Litigations against Director Anil Kumar Runthala**

**1. ADITYA BIRLA FINANCE LIMITED – Commercial Arbitration Petition No.(L)7914 of 2020 - ( Amount Rs. Rs.8,05,94,002/-**

Aditya Birla Finance Limited (ABFL) had on 25/03/2017 sanctioned loan to Anilkumar Runthala, Anilkumar Runthala, Udhyog Pvt. Ltd. and others of Rs.7.50 crores repayable in 180 equated monthly instalments of Rs.8,05,954/- for purchase (Commercial Premises) of Offices No.6 to 10 on the 2<sup>nd</sup> floor and offices no. 11 to 15 on the 3<sup>rd</sup> floor, Vijay Smruti, Plot No.33, Survey Nos. 14-129,130,131 Mayur Colony, off karve Road, Kothrud, Pune. In view of the default in payment of installments due to Covid-19, ABFL had filed Commercial Arbitration petition in Bombay High court bearing Comm. Arbitration Petition(L) No.7914 of 2020, wherein Hon'ble High Court had passed stay order restraining company from selling, transferring, encumbering or parting with the possession and ask Court Receiver to take symbolic possession of the property and also granted 45 days period to invoked the Arbitration Proceedings as against Anilkumar Runthala, Anilkumar Runthala Udhyog Pvt. Ltd. and others, Vide Hon'ble High Court order March 12, 2021. Again, the ABFL has approached the Hon'ble High Court, Bombay for seeking extension of time for invoking the Arbitration proceedings for recovery of outstanding amount of Rs.8,05,94,002/- as on 08.06/2022. The Hon'ble High Court on June 29, 2022 passed order allowing ABFL three week time to invoke the Arbitration Proceedings and also approach the Court Receiver, High Court, Bombay to execute the order dated March 12, 2021, and accordingly Mr. N.F.Kuman has been appointed as Sole Arbitrator by ABFL vide their letter dated 11.07.2022 and next date for preliminary direction is fixed is 10.08.2022 by the Arbitrator.

**2. Case Filed by TJSB SAHAKARI BANK LTD( 177 of 2020)**

B.R. Udhyog, proprietary firm of Anilkumar Runthala (BRU) had availed various Bank facilities i.e. working Capital Limit amounting to Rs. 900.00 Lacs and also got the Bill Discounting facility of Rs.400.00 Lacs, making total sanctioned limit of Rs.1300.00 Lacs and executed necessary documents BRU had committed the default and the account was classified as NPA on March 31,2019. On May 31,2019 the bank had notice to BRU and others under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Act,2002 demanding the payment of 13,28,55759.97. The Bank has filed Original Application No.177 of 2020 in The DEBTS RECOVERY TRIBUNAL-1 at

Ahmedabad for recovery of Rs.13,83,09,897.85 plus 12.25% p.a. with monthly rests from 01.06.2020 till the date of realization of recovery of the amount of various facilities sanctioned against BRU and others . The Debt Recovery Tribunal had passed order dated 17.07.2020 granting interim Stay in favour of Bank ' from transferring, alienating or dealing with the 1 properties mentioned in the Third Scheduled of the Original Application till further order in any manner during the pendency of this Original Application. and asked the Bank to arrange to serve the Summons to the Defendants. B.R.Udhyog and other Defendants have filed written statement wherein it is stated that Bank had committed gross breach and Violation of RBI directives and directions issued by the Ministry of Finance, Government of India by not extending the benefits of MSME available to us and also denied all the allegations made by the Banks. The matter is on board for Hearing. The next date is December 07, 2022

### 3. Case filed by APM Industries Limited - Commercial Suit/7/2021 against B.R. Udhyog

APM Industries Limited, Dist. Alwar, Rajasthan are in the business of manufacturing and selling of blended spun yarns under the trade name "Orient Syntex" ( herein after referred as APM). APM used to supply the yarn to our B.R. Udhyog as per requirement from time to time. B.R. Udhyog had issued 8 cheques of Kotak Mahindra Bank amounting to Rs. 54,83,000/- towards the part payment of the outstanding amount all dated from 07/09/2020 to 16.09.2020, all these cheques were returned unpaid by the Bank. APM has filed Commercial Suit in the District and Sessions Court, Ludhiana, District Ludhiana bearing case No. Commercial Suit/7/2021 against B.R. Udhyog for recovery of Rs.3,86,32,499/- (Consisting of Rs.2,43,03,738 Principal Amount + interest Rs. 16,59,087 for late payment and Rs.1,26,69,674 interest on outstanding principal amount @18% p.a. and interest @ 24% till the realization of the commercial suit amount. . Because of non receipt of summons by B.R. Udhyog, they could not remained present in the court, the Hon,ble Court had on 20/05/2022 passed Ex-parte order against B.R. Udhyog. Against this Ex-parte order B.R. Udhyog has filed an Application and affidavit dated 23/05/2022 to set-aside the Ex-parte order dated 20/05/2022. Next date of hearing is 01/11/2022

#### 4) Taxation Matters

##### Anil Runtala

Sr. No	Assessment Year	Amount (₹ in Lacs)	Particular
1.	2012-13	10.05	Section 147 of Income Tax Act
2.	2021-22	0.02	Section 143(1) of Income Tax Act

- 5) Past Penalties imposed on our Directors -NIL
- 6) Proceedings initiated against our Directors for economic offences/securities laws/ or any other law -NIL
- 7) Directors on list of wilful defaulters of RBI -NIL

#### B. LITIGATIONS FILED BY DIRECTOR(S) OF OUR COMPANY

- 1) Criminal Litigations -NIL
- 2) Civil Proceedings -NIL
- 3) Taxation Matters NIL

#### PART III –LITIGATIONS INVOLVING PROMOTER(S) OF OUR COMPANY

##### A. LITIGATIONS AGAINST PROMOTER(S) OF OUR COMPANY

- 1) **Criminal Litigations against Anilkumar Runthala, Promoter**  
As mentioned in Part -II –Litigations Involving Director(S) Of Our Company
- 2) **Criminal Litigations against Harsha Sharma, Promoter**  
(As mentioned in Part -II –Litigations Involving Director(S) Of Our Company)
- 3) Civil Proceedings

##### **Litigations against Promoter Anil Kumar Runthala**

(As mentioned in Part -II –Litigations Involving Director(S) Of Our Company)

##### **Litigations against Promoter Harsha Runthala as guarantor for the loan given**

B.R. Udhyog, proprietary firm of Anil Runthala (BRU) had availed various Bank facilities i.e. working Capital Limit amounting to Rs. 900.00 Lacs and also got the Bill Discounting facility of Rs.400.00 Lacs, making total sanctioned limit of Rs.1300.00 Lacs and executed necessary documents BRU had committed the default and the account was classified as NPA on March 31,2019. ON May 31,2019 the bank had notice to BRU and others under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Act,2002 demanding the payment of 13,28,55759.97. The Bank has filed Original Application No.177 of 2020 in The DEBTS RECOVERY TRIBUNAL-1 at Ahmedabad for recovery of Rs.13,83,09,897.85 plus 12.25% p.a. with monthly rests from 01.06.2020 till the date of realization of recovery of the amount of various facilities sanctioned against BRU and others . The Debt Recovery Tribunal had passed order dated 17.07.2020 granting interim Stay in favour of Bank' from transferring, alienating or dealing with the 1 properties mentioned in the Third Scheduled of the Original Application till further order in any manner during the pendency of this Original Application. and asked the Bank to arrange to serve the Summons to the Defendants. B.R. Udhyog and other Defendants have filed written statement wherein it is stated that Bank had committed gross breach and Violation of RBI directives and directions issued by the Ministry of Finance, Government of India by not extending the benefits of MSME available to us and also denied all the allegations made by the Banks. The matter is on board for Hearing. The next date is December 07,2012

- 4) Taxation Matters - NIL
- 5) Past Penalties imposed on our Promoters - NIL
- 6) Proceedings initiated against our Promoters for economic offences/securities laws/ or any other law - NIL
- 7) Penalties in Last Five Years - NIL
- 8) Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past - NIL
- 9) Adverse finding against Promoter for violation of Securities laws or any other laws - NIL

#### **B. LITIGATIONS FILED BY PROMOTERS(S) OF OUR COMPANY**

- 1) Criminal Litigations - NIL
- 2) Civil Proceedings - NIL
- 3) Taxation Matters -NIL

#### **PART IV –LITIGATIONS INVOLVING SUBSIDIARY COMPANY:**

**AS ON DATE OF THIS DRAFT PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY SUBSIDIARY COMPANY.**

#### **PART V –OTHER MATTERS- NIL**

#### **PART IX –MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter - “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 125 of this Draft Prospectus, there have been no material developments, since the date of the last audited balance sheet.

#### **OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

As on March 31, 2022, our Company had 5 creditors, to whom a total amount of ₹ 2000.73 lakhs were outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated September 01,2022, considered creditors to whom the amount due exceeds ₹ 15.00 lakhs as per our Company's restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

<b>Sr.No.</b>	<b>Particulars</b>	<b>Amount (₹. in Lakhs)</b>
1.	Amount due to Micro and Small Enterprises.	0.00
2.	Amount due to Material Creditors.	2000.73
3.	Amount due to Other Creditors.	0.00
	<b>Total</b>	<b>2000.73</b>

Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website: [www.haruworlwide.com](http://www.haruworlwide.com) would be doing so at their own risk.

#### **WILFUL DEFAULTEROR FRAUDULENT BORROWERS**

Our Promoters and Directors have not been identified as a willful defaulter or fraudulent borrower in terms of the SEBI ICDR Regulations as on the date of this Draft Prospectus.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

In view of the licenses, permissions, approvals, no-objections, certifications, registrations, (collectively “Approvals”) from the Government of India and various statutory, regulatory, governmental authorities listed below, our Company have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business. It must be distinctly understood that in granting these Approvals, the Government of India and other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities. For further details in connection with the regulatory and legal framework within which we operate, please refer “*Key Industrials Regulations and Policies*” on page 77 of this Draft Prospectus.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

### (A) Approvals for the Issue

#### Corporate Approvals

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on September 01, 2022, authorised the Issue subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
2. The Shareholders of the Company have, pursuant to a resolution dated September 25, 2022, passed in the EGM respectively under Section 62(1)(c) of the Companies Act, 2013 authorised the Issue.

#### In-principal approval from the Stock Exchange

3. The Company has obtained in-principal listing approval from the SME Exchange of the BSE dated [●].

#### Agreements with CDSL and NSDL

4. The Company has entered into an agreement dated September 15, 2022 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.
5. Similarly, the Company has also entered into an agreement dated September 14, 2022 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.
6. The Company's International Securities Identification Number (“ISIN”) is INE0N9H01019.

### (B) Registration under the Companies Act, 1956/2013:

Sr. No.	Authority Granting Approval	Approval / Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Registrar of Companies, ROC-Ahmedabad	U51909GJ2016PTC085610vide Certificate of Incorporation dated January05,2016	Companies Act, 2013	Certificate of Incorporation	Valid, till Cancelled
2.	Registrar of Companies, ROC-Ahmedabad	U51909GJ2016PLC085610vide Certificate of Incorporation dated July 25, 2022.	Companies Act, 2013	Fresh Certificate of Incorporation consequent upon conversion from private to public company	Valid, till Cancelled

**(C) Registration under various Acts/Rules relating to Income Tax, Goods and Service Tax:**

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Income Tax Department- (PAN)	AAGCB5714M	Income Tax Act, 1961	Permanent Account Number	Valid, till Cancelled
2.	Income Tax Department - (TAN)*	AHMB08290C	Income Tax Act, 1961	Tax Deduction Account Number	Valid, till Cancelled
3.	Gujarat Goods and Services Tax Act, 2017*	24AAGCB5714M1ZL	Goods and Services Tax Act, 2017	Goods and Services Tax	Valid, till Cancelled

**(D) Registration and Approvals under Statutory and Regulatory Act(s):**

Sr. No.	Authority Granting Approval	Approval / Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Amdavad Municipal Corporation*	PEC-01-0515005048	The Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976	Profession Tax department –EC (Enrollment Certificate)	Valid, till cancelled
2.	Amdavad Municipal Corporation*	PII/MNM/2900033/0155 650	Bombay shops and Establishment Act, 1948	Shops And Establishment Registration certificate	Valid up till, 31/12/2022
3.	Micro, Small and Medium Enterprises, Government of India*	UDYAM-GJ-01-0069088	Entrepreneurs Memorandum for Setting up Micro, Small or Medium enterprise.	Udyam Registration	Valid, till cancelled
4.	Director General of Foreign Trade, Ahmedabad*	IEC No.: 0817502131	Import-Export Rules and Regulation	Import –Export Permission	Valid, till cancelled
5.	Magnituse Management Services Pvt. Ltd.(EGAC accredited)	Certificate No:22EQGY80	ISO 9001:2015	Quality management system	Valid Up to 17/06/2025

**(E) Approvals applied for up gradation but not yet received:**

Sr. No	Description	Authority
1.	Profession Tax department - Registration Certificate under Bombay shops and establishment act, 1948	Amdavad Municipal Corporation

Note: \*The Approvals/Licenses/Registration are in the previous name of the company i.e. BRR Udhog Private Limited and company is taking necessary steps to get the same in the name of Haru Worldwide Limited.



## FINANCIAL INFORMATION OF OUR GROUP COMPANIES

As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies which is covered under the applicable Accounting Standard (AS-18) as per the Restated Financial Statements of our Company. Further in addition to it, pursuant to a resolution of our Board dated September 01, 2022 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if any such company is an *Associate Company* of our Company or our Company is an *Associate Company* of such Company.

Except as stated below, there is no company which is considered material by the Board of Directors of our Company to be identified as Group Company.

Details of our Group Companies:

### 1. BRR Enterprise Private Limited

#### Brief Corporate Information

<b>Date of Incorporation</b>	August 07, 2020
<b>Current Activities</b>	Manufacturing and Trading in Textile
<b>CIN</b>	U17299GJ2020PTC115378
<b>Registered Office Address</b>	Office No. 308, 3rd floor, Shukan Business Center, Nr. Fairdeal House Ahmedabad - 380009, Gujarat, India.

In accordance with the SEBI (ICDR) Regulations, financial information in relation to our Group Company is available at the website <https://haruworldwide.com/>.

#### Other confirmations:

- ❖ The Company is not a listed Company
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company

#### Common Pursuit:

Our Promoter, Anil Runthala is involved in the proprietorship firm Viz. B.R. Udhog, B.R.R. Enterprise Private Limited, part of promoter group which are doing the business in the similar line of business of our company. However, our Company has not signed any agreement / document with our Group Entity so as to confirm that they will not sell products similar to issuer Company. Our Group Entities may expand their business in the future that may compete with us. The interests of these Group Entities may conflict with our Company's interests and / or with each other.

#### Litigation

For details relating to the legal proceedings involving the Group Entities, see "*Outstanding Litigations and Material Developments*" on page 134 of this Draft Prospectus.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE OFFER**

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on September 01, 2022, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1) (c) vis-à-vis of the Companies Act, 2013.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 62(1) (c) vis-à-vis of the Companies Act, 2013 at the EOGM of our Company held on September 25, 2022.

We have received In- Principle Approval from BSE SME vide their letter dated [●] to use the name of BSE in the Prospectus for listing of our Equity Shares on SME Platform of BSE. BSE Ltd is the Designated Stock Exchange.

### **PROHIBITION BY SEBI**

Our Company, Promoters, Promoter Group and Directors are not 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.

### **CONFIRMATION**

1. Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Prospectus.
2. Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoters or directors in past (5 five) years.

### **DECLARATION AS WILFUL DEFAULTERS & FUGITIVE ECONOMIC OFFENDER**

Neither our Company, our Promoters, our Directors, have been identified as a willful defaulter or a fugitive economic offender by the RBI or other government authorities.

### **ELIGIBILITY FOR THE ISSUE**

Our company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up (face value) capital is more than ten crores and upto twenty five crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Platform", in this case being the "BSE SME"). Our Company also complies with eligibility conditions laid by SME Platform of BSE for listing of Equity Shares.

### **We confirm that:**

1. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, the lead manager shall ensure that the issuer shall file copy of the draft Prospectus/prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus/Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this issue has been hundred percent (100%) underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see “General Information” on page 31 of this Draft Prospectus.

3. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four working days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of four days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable laws.
4. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “General Information” on page no. 31 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Platform of BSE Limited which states as follows:

**1. The issuer should be a Company incorporated Under Companies Act, 2013**

Our Company is incorporated under the Companies Act, 2013.

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital (face value) of the Company will be ₹21.69 crores, less than ₹25 crores.

**3. Positive Net Worth**

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net Worth as per Restated Financial Statement	1,985.00	1,234.34	1,193.00

**4. Net Tangible Assets of Rs. 150.00 Lakh**

Our Net Tangible Assets as per the latest audited financial statements i.e as on March 31, 2022 is ₹1983.22.

**5. Track Record**

**(A) The company should have (combined) a track record of at least 3 years.**

Our Company satisfies the criteria of Track Record

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net Profit as per Restated Financial Statement	250.66	41.34	71.63

**(B)The company or the firm or the firm which have been converted into the company should have combined positive cash accruals (earnings before depreciation and tax)in any of the year out of last three years and its net worth should be positive.**

The Company has positive Cash Accruals

(₹ in Lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Earnings before depreciation and tax	381.14	77.36	108.52

**6. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN No: INE0N9H01019

**7. Company shall mandatorily have a website.**

Our Company has a live and operational website: [www.haruworldwide.com](http://www.haruworldwide.com)

**Certificate from the applicant company stating the following:**

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.

There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to BSE for listing on SME Segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE Limited ("BSE SME").

**SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, INTERACTIVE FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE 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 INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER INTERACTIVE FINANCIAL SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.**

## **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED**

As required, a copy of this Draft Prospectus has been submitted to BSE Limited. The Disclaimer Clause as intimated by the BSE Limited to us, post scrutiny of this Draft Prospectus will be produced by our Company in the Prospectus.

### **CAUTION- DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE LM**

Our Company, our Directors, and the LM 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.haruworlwide.com](http://www.haruworlwide.com). or any website of any affiliate of our Company, any of the Group Companies, would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriters, and our Company. All information shall be made available by our Company and the LM to the public and investors at large including our website: [www.haruworlwide.com](http://www.haruworlwide.com) and [www.ifinservices.in](http://www.ifinservices.in) would be doing so at their own risk and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere. None among our Company or any member of the Syndicate is liable for any failure in uploading the Applications due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, 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, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, any FII sub – account registered with SEBI which is a foreign corporate or foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Prospectus does not, however, constitute 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 Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## **LISTING**

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE Limited.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform of BSE is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

## **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## **CONSENTS**

The written consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, the Lead Manager to the Issue, Underwriter, Registrar to the Issue, Market Makers and Banker's to Issue and Sponsor Bank to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of filing of the Prospectus for registration with the ROC. – **NOTED FOR COMPLIANCE**

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Bhagat & Co., Chartered Accountants., Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, restated financial statements dated September 28, 2022 and M/s. B. K. Chavda & Co., Chartered Accountants, statutory auditor of the company have agreed to provide the Statement of Tax Benefits dated September 28, 2022, 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 consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

Further, such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus. – **NOTED FOR COMPLIANCE**

## **EXPERT OPINION**

Except for Peer Review Auditors' reports on the restated financial statements issued by M/s. M/s Bhagat & Co Chartered; Accountants and Statement of Tax Benefits issued by M/s. B. K. Chavda & Co., Chartered Accountants; we have not obtained any other expert opinions.

## **PREVIOUS PUBLIC OR RIGHTS ISSUE**

Company has not made any Public or Right issue during last five years.

## **COMMISSION OR BROKERAGE**

We have not made any public issue in last five years. Hence, no sums have been paid or payable as Commission or Brokerage.

## **COMMISSION PAYABLE TO SCSBS**

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However, in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹10 per ASBA Application Form processed by them.

## **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

## **PERFORMANCE VIS-À-VIS objects;**

Except as stated in the chapter titled "*Capital Structure*" beginning on page no. 40 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last 5 years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies and Promoter Group Companies have their equity shares listed on any stock exchange.

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Interactive Financial Services Ltd, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, and the website of Lead Manager at [www.ifinservices.in](http://www.ifinservices.in)

**Disclosure Of Price Information Of Past Issues Handled By Interactive Financial Services Ltd**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1.	Bhatia Colour Chem Limited(BSE SME)	40.00	80	March 24, 2022	40.00	-36.50% (-0.69%)	-40.56% (-8.79%)	-30.00% (+2.68%)
2.	Global Longlife Hospital and Research Ltd(BSESME)	49.00	140	May 04, 2022	141.10	-40% (+0.27%)	-43.4% (+4.39%)	NA
3.	Rachana Infrastructure Ltd (NSE EMERGE)	76.28	135	June 10, 2022	138.00	+62.44% (+0.09%)	+250.04% (+8.78%)	NA
4.	Dipna Pharmachem Limited	15.21	38	September 08, 2022	32.00	NA	NA	NA

Sources: Share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

**Note:**

1. The BSE Sensex is considered as the Benchmark Index
2. Prices on BSE /NSE are considered for all of the above calculations
3. In case 30th/90th/180th day are not completed
4. NIFTY50 has considered as the benchmark index of NSE

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, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

**SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	1	40.00	NA	1	NA	1	NA	NA	NA	NA	NA	NA	NA	NA



2022-23	3	140.49	NA	1	NA	1	NA	NA	NA	NA	NA	NA	NA	NA
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### **Track Record of past issues handled by Interactive Financial Services Limited**

For details regarding track record of the Lead Manager to the Offer 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.ifinservices.in](http://www.ifinservices.in).

### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on September 01, 2022. For further details, please refer the chapter titled "Our Management" on page no. 87 of Draft Prospectus.

Our Company has also appointed Krishna Naikas the Company Secretary and Compliance Officer of our company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Krishna Naik**

**Haru Worldwide Limited**

Office No. 308, Third Floor, Sukun Business Centre,  
Nr. Fairdeal House, Swastik Cross Road, C. G. Road,  
Ahmedabad-380009, Gujarat, India.

**Tel No:** +91 74350 00820

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

**E-mail:** [investors@haruworlwide.com](mailto:investors@haruworlwide.com)

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. 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 Stock Exchange(s), the RBI, ROC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the ROC and/or any other authorities while granting its approval for the Offer to the extent applicable.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum 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 of our Company" beginning on page 190 of this Draft Prospectus.

#### **Authority for the Present Offer**

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 01, 2022 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on September 25, 2022 pursuant to section 62(1)(c) of the Companies Act.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act

and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "*Dividend Policy*" and "Main Provisions of Article of Association" beginning on page no 101 and 190 respectively of this Draft Prospectus.

### **Face Value and Issue Price**

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 45 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "Basis for Issue Price" beginning on page 55 of the Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares. At any given point of time there shall be only one (1) denomination of Equity Shares of our Company, subject to applicable law.

### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of Articles of Association" beginning on page 190 of the Draft Prospectus.

### **Minimum Application Value; Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 3,000 Equity Share subject to a minimum allotment of 3,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Minimum Number of Allottees**

In accordance with Regulation 268 (1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies collected shall be refunded within four (4) Working days of closure of Offer. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Nomination Facility to Investor**

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 Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall 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/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at 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:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) 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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Period of Operation of Subscription List of Public Offer**

ISSUE OPENS ON [•]  
ISSUE CLOSES ON [•]

- In terms of Regulation 265 of ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.
- In terms of Regulation 266(3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company 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 provisions of sub-regulation 266(1).

In terms of the UPI Circulars, in relation to the Offer, the Lead Manager will submit reports of compliance with T+6 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 Four (4) Working Days from the Offer Closing Date, the Issuer shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Bid/Offer 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 above-mentioned timelines. Further, the offer 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) 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.
- 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;
- 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;
- any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four 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 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 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any further notification from the SEBI after filing of this Draft Prospectus may result in changes in the timelines.

#### **Submission of Application Forms:**

<b>Issue period (except the Issue Closing Date)</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. and 5.00 p.m. IST
<b>Issue Closing Date</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. and 3.00 p.m. IST

*On the Issue Closing Date, for uploading the Application Forms:*

1. 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and

2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 03.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

**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 SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this 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 Application Form, for a particular Applicant, the details as per the file received from SME Platform of BSE may be taken as the final data for the purpose of Allotment.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation.

If the issuer does not receive the subscription of hundred per cent (100%) of the offer through Draft Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so offered under the Draft Prospectus, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond Four (4) Working Days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum (15% p.a).

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 3,000 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 SME Platform of BSE Limited.

### **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 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 Bidders within one 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 registered 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 Draft Prospectus.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page 40 of the Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 190 of the Draft Prospectus.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- a) If the Paid-up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

**OR**

- b) If the Paid-up Capital of our company is more than ₹ 10 crores and the capitalization of our equity is more than ₹25 crores and our company have been listed on SME Platform for at least two years, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered though this issue are proposed to be listed on the SME Platform of BSE Limited (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform of BSE Limited for a minimum period of three years from the date of listing of shares offered though this Draft Prospectus.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see "General Information" beginning on page 31 of the 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 Promoters, to acquire or receive any



Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

### **Allotment of Equity Shares in Dematerialized Form**

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialised form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Draft Prospectus:

- Tripartite agreement dated September 15, 2022 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated September 14, 2022 among NSDL, our Company and the Registrar to the Issue

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. 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 dematerialized segment of the Stock Exchanges. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### **Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **As per the extant policy 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, FIIs 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.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is less than ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME platform of BSE Limited "BSE SME"). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 152 and 161 respectively of this Draft Prospectus.

Public issue of 66,90,000 equity shares of face value of ₹ 10.00/- each for cash at a price of ₹45 per equity share including a share premium of ₹35 per equity share (the "issue price") aggregating to ₹3010.50 lakhs ("the issue") by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares	63,54,000* Equity Shares	3,36,000 Equity Shares
Percentage of Issue Size available for allocation	94.98% of the Issue Size.  29.29% of the Post Issue Paid up capital	5.02% of the Issue Size  1.55 % of the Post Issue Paid up capital
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 3000 Equity Shares and Further allotment in multiples of 3000 Equity Shares each. For further details, please refer to the section titled " <i>Issue Procedure</i> " on page 161 of this Draft Prospectus.	Firm Allotment
Mode of Application	Retail Individual Investors may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI Payment facility) shall apply through ASBA Only.	Through ASBA mode Only.
Minimum Application Size	<b><i>For OIB and NII:</i></b> Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 <b><i>For Retail Individuals:</i></b> Such number of equity shares where application size is of at least 3000 Equity Shares.	3,36,000 Equity Shares
Maximum Bid	<b><i>For OIB and NII:</i></b> Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Size does not exceed 63,54,000 Equity Shares subject to adhere under the relevant laws and regulations as applicable. <b><i>For Retail Individuals:</i></b> Such number of Equity Shares so that the Application Value does not exceed ₹ 2,00,000	3,36,000 Equity Shares
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	3000 Equity Shares	3000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR)

Particulars	Net Issue to Public	Market Maker reservation portion
		Regulations, 2018.
<b>Terms of payment</b>	In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	

*\*50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹2,00,000 and the balance 50% of the shares are available for applications whose value is above ₹2,00,000.*

**Note:**

- 1. In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of 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 joint holders.*
- 2. Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
- 3. 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, 2018. For further details, please refer chapter titled "Issue Procedure" beginning on page 161 of this Draft Prospectus.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the 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 Bid 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 bids in cases of individual, multiple bids 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.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company, and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company, and Lead Manager would not be able for any amendment, modification or change in 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 the 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.

Pursuant to the SEBI ICDR Regulations, 2018 the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 (“UPI Circular”) in addition to ASBA Process has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”), consequent reduction in timelines for listing in a phased manner. Further, SEBI vide its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 has notified Phase II for detail implementation refers below “Phased implementation of Unified Payments Interface”. Applicants applying through the ASBA process or UPI Mechanism should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs hence applicant shall ensure that ASBA Bank Account has sufficient Balance.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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 <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA)

for applications by RIBs through Designated 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 Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public Issue closure to listing is proposed to be reduced to three working days.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

### **Fixed Price Issue Procedure**

The offer is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants 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 the 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 Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, 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 are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. Applicants will not have the option of getting allotment of the Equity Shares in physical form.** However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

#### **Availability of Draft Prospectus/Prospectus and Application Forms**

Copies of the Application Form and the Draft prospectus / Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, 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.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization 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.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention 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.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum 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:

<b>Category</b>	<b>Colour of Application Form</b>
Resident Indians and 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.

\*\*Application Forms will also be available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)). Same Application

Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSBs, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

#### **Submission and Acceptance of Application Form**

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”).

Sr No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
4.	A depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	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 intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Application Forms to SCSBs only

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may by blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For Applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). 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.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account

Stock exchange(s) 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.

#### Who can apply?

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Mutual Funds registered with SEBI;
- VCFs registered with SEBI;
- FVCIs registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Insurance companies registered with Insurance Regulatory and Development Authority;

- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
- Nominated Investor and Market Maker
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

**Applications not to be made by:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Overseas Corporate Bodies

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations 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.**

**Participation by associates/affiliates of Lead Manager**

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 Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis

**Option to Subscribe to the Issue**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

**Application By HUF**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is



the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals

### **Application by Mutual Funds**

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such 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 (1) 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.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single 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 Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

### **Application by Eligible NRIs/FII's on Repatriation Basis**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

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).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme ("PIS") is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

### **Application by FPIs**

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit

of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, 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.

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 FPI Regulations, an FPI, by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated Depository Participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

#### **Application by SEBI registered VCFs, AIFs and FVCIs**

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) 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, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (1) investee company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. 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.

#### **Application by provident funds/ pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the

provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof

#### **Application 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 this, our Company reserves the right to reject their Application without assigning any reason thereof.

#### **Application by Banking Companies**

In case of Application made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less.

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 bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Application by Insurance Companies**

In case of Application made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject their application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDA Investment Regulations").

#### **Application by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

#### **Application by Systemically Important Non-Banking Financial Companies**

In case of Application made by systemically important non-banking financial companies, 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 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.

#### **Application under Power of Attorney**

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, 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, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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 reserves the right to accept or reject their application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories

### **Application by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.

### **Maximum and Minimum Application Size**

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 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.

#### **2. 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 3,000 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 and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application 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

#### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) 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 the 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.**

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

#### **ASBA Process**

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

**APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER /SCSBS /REGISTRAR AND SHARE TRANSFER AGENTS /DEPOSITORY PARTICIPANTS /STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.**

#### **Who can apply?**

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.

#### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

#### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

#### **Terms of payment**

The entire Issue price of ₹45 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 bid Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail 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 Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

#### **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries,**

where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.

#### **Who can apply through UPI Mode:**

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

#### **Process**

**Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).**

#### **Blocking of Funds:**

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

#### **Unblocking of Funds:**

- a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

#### **Rejection grounds under UPI Payment Mechanism**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account

#### **List of Banks providing UPI facility**

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### **Electronic Registration of Applications**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary 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 on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  1. Name of the Applicant;
  2. IPO Name;
  3. Application Form number;
  4. Investor Category;
  5. PAN (of First Applicant, if more than one Applicant);
  6. DP ID of the demat account of the Applicant;
  7. Client Identification Number of the demat account of the Applicant;
  8. UPI ID (RIIs applying through UPI Mechanism)
  9. Numbers of Equity Shares Applied for;



10. Location 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
  11. Bank account number
  12. 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 Application Form number which shall be system generated.
7. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
  9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
  10. 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.
  11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges 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.

### **Withdrawal of Applications**

RIIs can withdraw their applications until Issue Closing Date. In case a RIIs wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Signing of Underwriting Agreement**

The issue is 100% Underwritten. For further details please refer to Section titled "General Information" on page no. 31 of this Draft Prospectus.

### **Filing of the Offer Document with the ROC**

For filing details, please refer Chapter titled "General Information" beginning on page 31 of this Draft Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

## **Price Discovery & Allocation of Equity shares**

- a) The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status details shall be available on the website of the Registrar to the Issue.

## **Issuance of Allotment Advice**

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. 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. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
2. **Issuer will that:**
  - (i) the allotment of the equity shares; and
  - (ii) initiate corporate action for credit of shares to the successful applicant's 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.
3. 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 Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

## **Issuance of Confirmation Allocation Note ("CAN")**

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

## General Instructions

Applicants are requested to note the additional instructions provided below.

### Do's:

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms. Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be), ensure that the Application Form is signed by the ASBA account holder (or the UPI- linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. 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;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of 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 Applicants 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.
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. 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;
16. 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 application, 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;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;

20. Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise 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;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
23. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding 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 before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the 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. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

**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 pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the BRLM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. 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 the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;
10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. 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;
13. 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;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;

16. 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;
17. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
18. If you are a QIB or a Non-Institutional Applicant, 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;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, 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>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
22. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **Instructions for completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

#### **Applicant’s Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Payment by Stock Invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **Other Instructions**

### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband 's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Book Running Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

## **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue, Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

## **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

## **Grounds for Technical Rejections**

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d. PAN not mentioned in the Application Form;
- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Issue;
- h. Applications for number of Equity Shares which are not in multiples as stated in the chapter titled "Issue Structure";
- i. Category not ticked;
- j. Multiple Applications as defined in the Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;

- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹2,00,000, received after 3.00 pm on the Issue Closing Date;
- y. Applications not containing the details of Bank Account and/or Depositories Account.
- z. Applications under the UPI Mechanism submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
- aa. Application 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.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) a tripartite agreement dated September 14, 2022 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated September 15, 2022 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No: INE0N9H01019

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.**



<p><b>Haru Worldwide Limited</b>  <b>Krishna Naik</b>  <b>Company Secretary and Compliance Officer</b>  <b>Address:</b> Tel No: Office No. 308, Third Floor, Sukun Business Centre, Nr. Fairdeal House, Swastik Cross Road, C. G. Road, Ahmedabad-380009, Gujarat, India  <b>Website:</b> www.haruworlwide.com  Tel No: +91 74350 00820  <b>E-mail:</b> investors@haruworlwide.com</p>	<p><b>Bigshare Services Private Limited</b>  <b>Address:</b> Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Center, Mahakali Caves Road, Andheri East, Mumbai-400093  <b>Tel No:</b>+91 22-62638200  <b>Fax No</b> +91 22-62638299  <b>Website:</b> www.bigshareonline.com  <b>E-Mail:</b> ipo@bigshareonline.com  <b>Contact Person:</b> Aniket Chindarkar  <b>SEBI Reg. No.:</b> INR000001385</p>
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### **Disposal of Applications**

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 4 Working Days from the Bid/Offer Closing Date.

### **Impersonation**

Attention of the Applicant is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”.

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### **AT PAR FACILITY**

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that “at par” facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

### **Grounds for Refund**

#### **Non-Receipt of Listing Permission**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within four days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of forth days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Draft Prospectus.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond four days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

### **Minimum Number of Allottees**

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### **Mode of Refunds**

- a) **In case of ASBA Bids:** Within 6 (six) Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Application, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b) In the case of Applicant from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) **In case of Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

### **Mode of making refunds for Applicants other than ASBA Applicants**

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicants account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Offer, shall be credited only to the bank account from which the Applicant Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to Draft Prospectus.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

#### **Completion of Formalities for listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with Stock Exchange (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in

marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).

3. For applications where the proportionate allotment works out to less than 3,000 equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 3,000 equity shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3,000 equity shares subject to a minimum allotment of 3,000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Draft Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c. The unsubscribed portion of the net 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.

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

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled 'Basis of Allotment' of this Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

#### **Basis of Allotment in the event of Under subscription**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size which shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Undertaking by our Company**

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
9. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period
10. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh draft prospectus with Stock Exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
11. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
12. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
13. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
14. That it shall comply with such disclosure and account norms specified by SEBI from time to time

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991 unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

FDI for items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Foreign Investment is allowed up to 100% under automatic route in our Company subject to certain conditions. For further details, please see the chapter titled “Key Industry Regulations and Policies” beginning on page 77 of this Draft Prospectus.

RBI also issues Master Directions - Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by the RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to *inter-alia*, the applicable pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, *inter-alia* with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/ RBI, from time to time. Such conditions include:

- (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained, and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;
- (ii) where the transfer of shares attracts SEBI (SAST) Regulations subject to the adherence to the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;
- (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality’s (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionality’s (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are

complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from the conversion of any debt instrument under any arrangement shall be reckoned as a foreign investment under the composite cap.

Portfolio Investment to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in the transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity, will not exceed the sectoral/statutory cap.

Subject to the provisions of the FDI policy, foreign investment in ‘manufacturing’ sector is under the automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

#### **i. Investment by FPIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **ii. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 that is:

The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

#### **iii. Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase / sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.



**SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES  
OF ASSOCIATION**

**MAIN PROVISIONS OF ARTICLES OF ASSOCIATION  
OF HARU WORLDWIDE LIMITED**

Title of Article	Article Number	Content
	<b>1.</b>	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.
<b>INTERPRETATION</b>		
	<b>2.</b>	<p>In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:</p> <p>a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.</p> <p>b) “These Articles” means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.</p> <p>c) “Auditors” means and includes those persons appointed as such for the time being of the Company.</p> <p>d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.</p> <p>e) *<b>“The Company” shall mean HARU WORLDWIDE LIMITED</b></p> <p>f) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.</p> <p>g) "Legal Representative" means a person who in law represents the estate of a deceased Member.</p> <p>h) Words importing the masculine gender also include the feminine gender.</p> <p>i) "In Writing" and “Written” includes printing lithography and other modes of representing or reproducing words in a visible form.</p> <p>j) The marginal notes hereto shall not affect the construction thereof.</p> <p>k) “Meeting” or “General Meeting” means a meeting of members.</p> <p>l) "Month" means a calendar month.</p> <p>m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.</p> <p>n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.</p> <p>o) “National Holiday” means and includes a day declared as National Holiday by the Central Government.</p> <p>p) “Non-retiring Directors” means a director not subject to retirement by rotation.</p> <p>q) "Office” means the registered Office for the time being of the Company.</p> <p>r) “Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto by Section 114 of the Act.</p> <p>s) “Person” shall be deemed to include corporations and firms as well as individuals.</p> <p>t) “Proxy” means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.</p> <p>u) “The Register of Members” means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.</p> <p>v) "Seal" means the common seal for the time being of the Company.</p>

		<p>w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.</p> <p>x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.</p> <p>y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.</p> <p>z) "Variation" shall include abrogation; and "vary" shall include abrogate.</p> <p>aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.</p> <p>Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.</p>
<b>CAPITAL</b>		
<b>Authorized Capital</b>	<b>3.</b>	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.
<b>Increase of capital by the Company how carried into effect</b>	<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.
<b>New Capital same as existing capital</b>	<b>5.</b>	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
<b>Non Voting Shares</b>	<b>6.</b>	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
<b>Redeemable Preference Shares</b>	<b>7.</b>	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.
<b>Voting rights of preference shares</b>	<b>8.</b>	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
<b>Provisions to apply on issue of Redeemable Preference Shares</b>	<b>9.</b>	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up</p>

		share capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital
<b>Reduction of capital</b>	<b>10.</b>	The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.
<b>Debentures</b>	<b>11.</b>	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
<b>Issue of Sweat Equity Shares</b>	<b>12.</b>	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.
<b>ESOP</b>	<b>13.</b>	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.
<b>Buy Back of shares</b>	<b>14.</b>	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
<b>Consolidation, Sub-Division and Cancellation</b>	<b>15.</b>	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
<b>Issue of Depository Receipts</b>	<b>16.</b>	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.
<b>Issue of Securities</b>	<b>17.</b>	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.
<b>MODIFICATION OF CLASS RIGHTS</b>		

Modification of rights	<b>18.</b>	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.
New Issue of Shares not to affect rights attached to existing shares of that class.		(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.
Shares at the disposal of the Directors.	<b>19.</b>	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the 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.
Power to issue shares on preferential basis.	<b>20.</b>	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.
Shares should be Numbered progressively and no share to be subdivided.	<b>21.</b>	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
Acceptance of Shares	<b>22.</b>	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.
Directors may allot shares as full paid-up	<b>23.</b>	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.
Deposit and call etc. to be a debt payable immediately	<b>24.</b>	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.
Liability of Members.	<b>25.</b>	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.

Registration of Shares.	<b>26.</b>	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.
<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>		
	<b>27.</b>	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act
<b>CERTIFICATES</b>		
<b>Share Certificates.</b>	<b>28.</b>	<p>(a) 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 provided in the relevant laws) 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 one month of the receipt of application for 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 or 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 of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>
<b>Issue of new certificates in place of those defaced, lost or destroyed.</b>	<b>29.</b>	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>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 the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the</p>

		Company.
<b>The first named joint holder deemed Sole holder.</b>	<b>30.</b>	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.
<b>Maximum number of joint holders.</b>		(b) The Company shall not be bound to register more than three persons as the joint holders of any share.
<b>Company not bound to recognise any interest in share other than that of registered holders.</b>	<b>31.</b>	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
<b>Installment on shares to be duly paid.</b>	<b>32.</b>	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.
<b>UNDERWRITING AND BROKERAGE</b>		
<b>Commission</b>	<b>33.</b>	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
<b>Brokerage</b>	<b>34.</b>	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.
<b>CALLS</b>		
<b>Directors may make calls</b>	<b>35.</b>	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.
<b>Notice of Calls</b>	<b>36.</b>	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
<b>Calls to date from resolution.</b>	<b>37.</b>	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.
<b>Calls on uniform basis.</b>	<b>38.</b>	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
<b>Directors may extend time.</b>	<b>39.</b>	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

<b>Calls to carry interest.</b>	<b>40.</b>	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
<b>Sums deemed to be calls.</b>	<b>41.</b>	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
<b>Proof on trial of suit for money due on shares.</b>	<b>42.</b>	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>	<b>43.</b>	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 thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.
<b>Payments in Anticipation of calls may carry interest</b>	<b>44.</b>	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.
<b>LIEN</b>		
<b>Company to have Lien on shares.</b>	<b>45.</b>	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.
<b>As to enforcing lien</b>	<b>46.</b>	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as

by sale.		aforsaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.
Application of proceeds of sale.	47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.
<b>FORFEITURE AND SURRENDER OF SHARES</b>		
If call or installment not paid, notice maybe given	48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.
Terms of notice	49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
On default of payment, shares to be forfeited.	50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
Notice of forfeiture to a Member	51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.
Forfeited shares to be property of the Company and maybe sold etc	52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.
Members still liable to pay money owing at time of forfeiture and interest.	53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.



<b>Effect of forfeiture.</b>	<b>54.</b>	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
<b>Evidence of Forfeiture.</b>	<b>55.</b>	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles 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 shares.
<b>Title of purchaser and allottee of Forfeited shares.</b>	<b>56.</b>	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: 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, re-allotment or other disposal of the shares.
<b>Cancellation of share certificate in respect of forfeited shares</b>	<b>57.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it 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 or persons entitled thereto.
<b>Forfeiture may be remitted.</b>	<b>58.</b>	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.
<b>Validity of sale.</b>	<b>59.</b>	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
<b>Surrender of shares</b>	<b>60.</b>	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
<b>Execution of the instrument of shares</b>	<b>61.</b>	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.
<b>Transfer Form.</b>	<b>62.</b>	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;
<b>Transfer not to be registered except on production of instrument of transfer.</b>	<b>63.</b>	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such

		terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.
<b>Directors may refuse to register transfer</b>	<b>64.</b>	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however 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;
<b>Notice of refusal to be given to transferor and transferee.</b>	<b>65.</b>	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.
<b>No fee on transfer</b>	<b>66.</b>	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.
<b>Closure of Register of Members or debenture holder or other security holders</b>	<b>67.</b>	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
<b>Custody of transfer Deeds</b>	<b>68.</b>	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.
<b>Application for transfer of partly paid shares</b>	<b>69.</b>	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
<b>Notice to transferee</b>	<b>70.</b>	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
<b>Recognition of legal representative</b>	<b>71.</b>	(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares. (b) Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
<b>Titles of Shares of deceased Member.</b>	<b>72.</b>	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or

		holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.
<b>Notice of application when to be given</b>	<b>73.</b>	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.
<b>Registration of persons entitled to share otherwise than by transfer. (transmission clause).</b>	<b>74.</b>	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.
<b>Refusal to register nominee</b>	<b>75.</b>	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
<b>Board may require evidence of transmission</b>	<b>76.</b>	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
<b>Company not liable for disregard of a notice prohibiting registration of transfer</b>	<b>77.</b>	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.
<b>Form of transfer Outside India</b>	<b>78.</b>	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.
<b>No transfer to insolvent etc.</b>	<b>79.</b>	No transfer shall be made to any minor, insolvent or person of unsound mind.
<b>NOMINATION</b>		
<b>Nomination</b>	<b>80.</b>	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.

		<p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>
<b>Transmission of Securities by nominee</b>	<b>81.</b>	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further 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 or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>
<b>DEMATERIALIZATION OF SHARES</b>		
<b>Dematerialization of Securities</b>	<b>82.</b>	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.
<b>JOINT HOLDER</b>		
<b>Joint Holders</b>	<b>83.</b>	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.
<b>Joint and several liabilities for all payments in respect of shares</b>	<b>84.</b>	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
<b>Title of survivors.</b>		(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;
<b>Receipts of one sufficient.</b>		(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and
<b>Delivery of certificate and giving of notices to first named holders.</b>		(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.
<b>SHARE WARRANTS</b>		
<b>Power to issue share</b>	<b>85.</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is

<b>warrants</b>		fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
<b>Deposit of share warrants</b>	<b>86.</b>	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.
<b>Privileges and disabilities of the holders of share warrant</b>	<b>87.</b>	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
<b>Issue of new share warrant coupons</b>	<b>88.</b>	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
<b>CONVERSION OF SHARES INTO STOCK</b>		
<b>Conversion of shares into stock or reconversion</b>	<b>89.</b>	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.
<b>Transfer of stock.</b>	<b>90.</b>	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation 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>Rights of stock holders.</b>	<b>91.</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, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
<b>Regulations</b>	<b>92.</b>	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.
<b>BORROWING POWERS</b>		
<b>Power to borrow</b>	<b>93.</b>	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.
<b>Issue of discount etc.</b>	<b>94.</b>	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with

<b>or with special privileges.</b>		any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
<b>Securing payment or repayment of Moneys borrowed.</b>	<b>95.</b>	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.
<b>Bonds, Debentures etc. to be under the control of the Directors.</b>	<b>96.</b>	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.
<b>Mortgage of uncalled Capital.</b>	<b>97.</b>	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.
<b>Indemnity may be given.</b>	<b>98.</b>	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.
<b>MEETINGS OF MEMBERS</b>		
<b>Distinction between AGM &amp; EGM</b>	<b>99.</b>	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-Ordinary General Meetings.
<b>Extra-Ordinary General Meeting by Board and by requisition.</b>	<b>100.</b>	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members
<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>		(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.
<b>Meeting not to transact business not mentioned in notice</b>	<b>101.</b>	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.
<b>Chairman of General Meeting.</b>	<b>102.</b>	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the

		chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.
<b>Business confined to election of Chairman whilst chair is vacant</b>	<b>103.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.
<b>Chairman with consent may adjourn meeting.</b>	<b>104.</b>	a. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
<b>Chairman's casting vote</b>	<b>105.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.
<b>In what case poll taken without adjournment</b>	<b>106.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.
<b>Demand for poll not to prevent transaction of other business</b>	<b>107.</b>	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
<b>VOTES OF MEMBERS</b>		
<b>Members in arrears not to vote</b>	<b>108.</b>	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.
<b>Number of vote each member entitled</b>	<b>109.</b>	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
<b>Casting of votes by a member entitled to more than one vote</b>	<b>110.</b>	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
<b>Vote of member of unsound mind and of minor</b>	<b>111.</b>	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.

<b>Postal Ballot</b>	<b>112.</b>	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.
<b>E-Voting</b>	<b>113.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
<b>Votes of joint members</b>	<b>114.</b>	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
<b>Votes may be given by proxy or by representative</b>	<b>115.</b>	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles.
<b>Representation of a body corporate</b>	<b>116.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.
<b>Members paying money in advance</b>	<b>117.</b>	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.
<b>Members not prohibited if share not held for any specified period</b>		(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.
<b>Votes in respect of shares of deceased or insolvent members</b>	<b>118.</b>	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.
<b>No votes by proxy on show of hands</b>	<b>119.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.
<b>Appointment of a Proxy</b>	<b>120.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the



		taking of the poll; and in default the instrument of proxy shall not be treated as valid.
<b>Form of proxy</b>	<b>121.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
<b>Validity of votes given by proxy notwithstanding death of a member</b>	<b>122.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.
<b>Time for objections to votes</b>	<b>123.</b>	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
<b>Chairperson of the Meeting to be the judge of validity of any vote</b>	<b>124.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
<b>DIRECTORS</b>		
<b>Number of Directors</b>	<b>125.</b>	Board of Directors On the date of acceptance of these Articles of Association, the first directors of the Company are: 1. Mr. Anilkumar Babulal Runthala 2. Mr. Omprakash Babulal Runthala Each of the First Directors shall hold office as permanent directors and shall continue to remain as Directors until he or she as the case may be, resigns or dies or otherwise becomes disqualified under the provisions of the Companies Act. The Board shall be having power to appoint Permanent Directors as and when it deems fit. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.
<b>Qualification shares</b>	<b>126.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.
<b>Nominee Directors</b>	<b>127.</b>	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.
<b>Appointment of alternate Director</b>	<b>128.</b>	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to

		the Alternate Director.
<b>Additional Director</b>	<b>129.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.
<b>Directors power to fill casual vacancies</b>	<b>130.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.
<b>Sitting Fees</b>	<b>131.</b>	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.
<b>Travelling expenses Incurred by Director on Company's business</b>	<b>132.</b>	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>		
<b>Meetings of Directors</b>	<b>133.</b>	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.  (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
<b>Chairperson</b>	<b>134.</b>	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.  b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.
<b>Questions at Board meeting how decided</b>	<b>135.</b>	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.
<b>Continuing directors may act notwithstanding any vacancy in the Board</b>	<b>136.</b>	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
<b>Directors may appoint committee</b>	<b>137.</b>	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board
<b>Committee Meeting show to be governed</b>	<b>138.</b>	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
<b>Chairperson of Committee</b>	<b>139.</b>	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present

<b>Meetings</b>		within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
<b>Meetings of the Committee</b>	<b>140.</b>	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment</b>	<b>141.</b>	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.
<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
<b>Power to fill casual vacancy</b>	<b>142.</b>	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
<b>POWERS OF THE BOARD</b>		
<b>Powers of the Board</b>	<b>143.</b>	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
<b>Certain powers of the Board</b>	<b>144.</b>	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say.
<b>To acquire any property, rights etc.</b>	<b>(1)</b>	Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.
<b>To take on Lease</b>	<b>(2)</b>	Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.
<b>To erect &amp; construct</b>	<b>(3)</b>	To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.
<b>To pay for property</b>	<b>(4)</b>	At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
<b>To insure properties of the Company</b>	<b>(5)</b>	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or

		co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
<b>To open Bank accounts</b>	<b>(6)</b>	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.
<b>To secure contracts by way of mortgage</b>	<b>(7)</b>	To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.
<b>To accept surrender of shares</b>	<b>(8)</b>	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.
<b>To appoint trustees for the Company</b>	<b>(9)</b>	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
<b>To conduct legal proceedings</b>	<b>(10)</b>	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.
<b>Bankruptcy &amp; Insolvency</b>	<b>(11)</b>	To act on behalf of the Company in all matters relating to bankruptcy insolvency.
<b>To issue receipts &amp; give discharge</b>	<b>(12)</b>	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.
<b>To invest and deal with money of the Company</b>	<b>(13)</b>	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
<b>To give Security by way of indemnity</b>	<b>(14)</b>	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;
<b>To determine signing powers</b>	<b>(15)</b>	To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.
<b>Commission or share in profits</b>	<b>(16)</b>	To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.
<b>Bonus etc. to employees</b>	<b>(17)</b>	To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.
<b>Transfer to Reserve Funds</b>	<b>(18)</b>	To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to

		Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.
<b>To appoint and remove officers and other employees</b>	<b>(19)</b>	To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.
<b>To appoint Attorneys</b>	<b>(20)</b>	At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
<b>To enter into contracts</b>	<b>(21)</b>	Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
<b>To make rules</b>	<b>(22)</b>	time to time to make, vary and repeal rules for the regulations of the business of npany its Officers and employees.
<b>To effect contracts etc.</b>	<b>(23)</b>	To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.
<b>To apply &amp; obtain on cessions licenses etc.</b>	<b>(24)</b>	To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.
<b>To pay commissions or interest</b>	<b>(25)</b>	To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40of the Act and of the provisions contained in these presents.
<b>To redeem preference</b>	<b>(26)</b>	To redeem preference shares.

shares		
To assist charitable or benevolent institutions	(27)	To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.
	(28)	To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
	(29)	To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.
	(30)	To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.
	(31)	To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.
	(32)	To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
	(33)	From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.
	(34)	To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.
	(35)	To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
	(36)	To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
	(37)	Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
	(38)	To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.
<b>MANAGING AND WHOLE-TIME DIRECTORS</b>		
Powers to appoint Managing/Whole time Directors	145.	a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or

		dismiss him or them from office and appoint another or others in his or their place or places. b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.
<b>Remuneration of Managing or Whole Time Director</b>	<b>146.</b>	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.
<b>Powers and duties of Managing Director or Whole-time Director</b>	<b>147.</b>	(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board. (2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers. (3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole Time Director or Whole Time Directors of the Company and may exercise all the powers referred to in these Articles. (4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit. (5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and specially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.
<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>		
<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>	<b>148.</b>	a) 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. b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive 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.
<b>THE SEAL</b>		
<b>The seal, its custody and use</b>	<b>149.</b>	(a)The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

		(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.
<b>Deeds how executed</b>	<b>150.</b>	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized 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.
<b>DIVIDEND AND RESERVES</b>		
<b>Division of profits</b>	<b>151.</b>	(1) 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. (2) 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. (3) 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.
<b>The company in General Meeting may declare Dividends</b>	<b>152.</b>	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.
<b>Transfer to reserves</b>	<b>153.</b>	a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
<b>Interim Dividend</b>	<b>154.</b>	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
<b>Debts may be deducted</b>	<b>155.</b>	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
<b>Capital paid up in advance not to earn dividend</b>	<b>156.</b>	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.
<b>Dividends in proportion to amount paid-up</b>	<b>157.</b>	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 dividends as from a particular date such share shall rank for dividend accordingly.
<b>Retention of dividends until completion of transfer under Articles</b>	<b>158.</b>	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.
<b>No Member to receivedividend</b>	<b>159.</b>	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly



whilst indebted to the company and the Company's right of reimbursement thereof		with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.
Effect of transfer of shares	160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
Dividend to joint holders	161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
Dividend to joint holders.	162.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
Notice of dividend	163.	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.
No interest on Dividends	164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.
<b>CAPITALIZATION</b>		
Capitalization	165.	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) 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; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii). (3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
Fractional Certificates	166.	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall-- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and (b) generally to do all acts and things required to give effect thereto. (2) The Board shall have full power - (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also (b) to authorise any person to enter, on behalf of all the members entitled

		<p>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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>
<b>Inspection of Minutes Books of General Meetings</b>	<b>167.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>
<b>Inspection of Accounts</b>	<b>168.</b>	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
<b>FOREIGN REGISTER</b>		
<b>Foreign Register</b>	<b>169.</b>	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.
<b>DOCUMENTS AND SERVICE OF NOTICES</b>		
<b>Signing of documents &amp; notices to be served or given</b>	<b>170.</b>	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.
<b>Authentication of documents and proceedings</b>	<b>171.</b>	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.
<b>WINDING UP</b>		
	<b>172.</b>	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(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.</p> <p>(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</p>

		whereon there is any liability.
<b>INDEMNITY</b>		
<b>Directors' and others right to indemnity</b>	<b>173.</b>	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.
<b>Not responsible for acts of others</b>	<b>174.</b>	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.
<b>SECRECY</b>		
<b>Secrecy</b>	<b>175.</b>	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained. <b>Access to property information etc.</b> (b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

## SECTION - X - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into 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 filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Office No. 308, Third Floor, Sukun Business Centre, Nr. Fairdeal House, Swastik Cross Road, C. G. Road, Ahmedabad – 380009, Gujarat, India between 10:00 a.m. and 5:00 p.m. (IST) on all Working Days from the date of this 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 shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A. Material contracts for the Issue

1. Issue Agreement dated September 28, 2022 between our Company and the Lead Manager.
2. Registrar Agreement dated September 28, 2022 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated September 28, 2022 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated September 28, 2022 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [●] amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated September 15, 2022 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
7. Tripartite agreement dated September 14, 2022 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

#### B. Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated September 01, 2022 in relation to the Issue and other related matters.
3. Shareholders' resolution dated September 25, 2022 in relation to the Issue and other related matters.
4. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Underwriters to the Issue, Bankers to our Company, Banker to our Issue and Market Maker to include their names in this Draft Prospectus and to acting their respective capacities.
5. Peer Review Auditors Report dated September 28, 2022 on Restated Financial Statements of our Company for the Financial Year ended on March 31, 2022, March 31, 2021 and 2020.
6. The Report dated September 28, 2022 from the Statutory Auditors of our Company, confirming the Statement of Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus.
7. Copy of Approval dated [●] from the SME Platform of BSE (BSE SME) to use their name in the prospectus for listing of Equity Shares.
8. Agreement dated September 01, 2022 entered into by our Company with Mr. Anil Runthala appointment as a Managing Director of the company.
9. Agreement dated September 01, 2022 entered into by our Company with Mrs. Harsha Sharma appointment as a Whole Time Director of the company.
10. Due diligence certificate submitted to BSE Limited dated September 29, 2022 from Lead Manager to the Issue.

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.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

### Signed by the Directors of the Company:

Name	Designation	Signature
Mr. AnilKumar Babulal Runthala	Managing Director	Sd/-
Mrs. Harsha Sharma	Whole-Time Director	Sd/
Mr. Pradeep Sharma	Non-Executive Director	Sd/
Ms. Vaibhav Pankajbhai Kakkad	Independent Director	Sd/
Mr. VinodKumar Mishra	Independent Director	Sd/

### Signed by:

Name	Designation	Signature
Mr. Rakesh Dutta	Chief Financial Officer	Sd/
Ms. Krishna Naik	Company Secretary and Compliance Officer	Sd/

**Place: Ahmedabad**

**Date: September 29, 2022**