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Draft Letter of Offer
May 02, 2024
For Eligible Equity Shareholders only



VINNY OVERSEAS LIMITED
Corporate Identification Number: L51909GJ1992PLC017742

Our Company was originally incorporated as Vinny Overseas Private Limited on May 29, 1992 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat. Subsequently, the name of the company was changed from “Vinny Overseas Private Limited” to “Vinny Overseas Limited” under The Companies Act, 2013 and had obtained fresh certificate of incorporation dated March 02, 2017 issued by the Registrar of Companies, Ahmedabad. Our Company was listed on Emerge Platform of National Stock Exchange of India Limited on October 11, 2018 vide listing and trading approval from National Stock Exchange of India Limited dated October 10, 2018. Further, our Company migrated to main board of National Stock Exchange of India Limited vide listing and trading approval dated November 24, 2022 and of Bombay Stock Exchange Limited vide listing and trading approval dated November 25, 2022. For details, please refer to the chapter entitled ‘General Information’ beginning on page no. 36 of the Draft Letter of Offer.

Registered Office: B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat 382405 India;
Tel. No.: +91 9328804500; **Email:** cs@vinnyoverseas.in ; **Website:** www.vinnyoverseas.in;
Contact Person: Mrs. Mansi Pratik Patel, Company Secretary & Compliance Officer

OUR PROMOTER: HIRALAL PAREKH		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF VINNY OVERSEAS LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY		
<p>ISSUE OF UP TO 23,26,23,311 EQUITY SHARES WITH A FACE VALUE OF RE. 1.00 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF Rs. 2 EACH INCLUDING A SHARE PREMIUM OF Re. 1 PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT UP TO Rs. 4652.47 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 RIGHTS EQUITY SHARES FOR EVERY 1 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] DAY, [●] (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1 TIME THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 171 OF THIS DRAFT LETTER OF OFFER</p> <p>* Assuming full subscription. Subject to finalization of the Basis of Allotments.</p>		
WILFUL DEFAULTER OR FRAUDULENT BORROWER		
Neither our Company nor any of our Promoters or Directors has been categorized as a Wilful Defaulter or Fraudulent Borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines issued by the Reserve Bank of India.		
GENERAL RISK		
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such 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 Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Document. Specific attention of investors is invited to the statement of “ <i>Risk Factors</i> ” on page 20 before making an investment in this Issue		
ISSUER’S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer 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 Letter of Offer 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 make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.		
LISTING		
The existing Equity Shares are listed on the BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (the “ Stock Exchanges ”). Our Company has received ‘in-principle’ approval from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters dated [●] and [●], respectively. Our Company will also make an application to the Stock Exchanges to obtain the trading approval for the Rights Entitlements as required under the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/13) dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is NSE.		
REGISTRAR TO THE ISSUE		
		
<p>BIGSHARE SERVICES PRIVATE LIMITED Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093, Maharashtra Tel No.: +91 22 62638200 Email: rightsissue@bigshareonline.com ; Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vijay Surana SEBI Registration Number: INR000001385</p>		
ISSUE PROGRAMME		
ISSUE OPENS ON: [●]	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON: [●]#
<p>* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. # Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.</p>		

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SECTION I - GENERAL DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below, which you should consider when reading the information contained herein.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, 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 Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in Summary of this Draft Letter of Offer, Statement of Special Tax Benefits, Financial Statements, Industry Overview, Outstanding Litigation and Defaults, Material Information and Developments and Issue Related Information beginning on pages 17, 52, 86, 55, 158 and 171 respectively, shall have the meaning given to such terms in such sections.

I. GENERAL TERMS

Vinny Overseas Limited/ VINNY / VOL / The Company/ Company/ We/ Us/ Our/ our Company/ the Issuer Company	Unless the context otherwise indicates or implies refers to Sakuma Exports Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat 382405, India
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II. COMPANY RELATED TERMS

TERM	DESCRIPTION
Act/ Companies Act	The Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
Articles / Articles of Association / AoA	The Articles of Association of our Company, as amended from time to time
Auditor / Statutory Auditor	The statutory auditor of our Company, being M/s. Kishan M Mehta & Co, Chartered Accountants.
Audited Financial results	The Un Audited financial results for the quarter and half year ended December 30, 2023, prepared in accordance with the Ind AS 34 “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules and other accounting principles generally accepted in India, the Companies Act and SEBI Listing Regulations
Board/ Board of Directors	Board of Directors of our Company, including any committees thereof
Chairman & Managing Director	Chairman & Managing Director of our Company, being Mr. Hiralal Parekh
Chief Financial Officer	Chief financial officer of our Company, being Mr. Mularam Prajapati
Company Secretary & Compliance Officer	Company Secretary & Compliance Officer of our Company in this case being, Mrs. Mansi Pratik Patel.
Director(S)	The director(s) on the Board of our Company, unless otherwise specified
Equity Shareholder/ Shareholders	A holder of Equity Shares
Equity Shares	The equity shares of our Company of a face value of Re. 1.00 each, unless otherwise specified in the context thereof.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
Internal Auditor	M/s P Prajapat & Co, Chartered Accountants
ISIN	International Securities Identification Number being INE01KI01027.
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in “Our Management – Key Managerial Personnel” on page no. 76
Memorandum / Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time
Promoter(s)	Mr. Hiralal Parekh
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock

TERM	DESCRIPTION
	Exchange under the SEBI Listing Regulations.
Registered Office	The registered office of our Company located at B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat, 382405 India
Registrar of Companies// Registrar of Companies, Ahmedabad / RoC	The Registrar of Companies, ROC Ahmedabad, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat India
Restated Financial Statements	The Restated Financial Information of our Company for the financial years ended March 31 of 2021, March 31, 2022 and March 31, 2023 respectively, which comprises of the statement of assets and liabilities, the statement of profit and loss, the statement of cash flow statement, including a summary of significant accounting policies and other explanatory information. For details, please see the section titled “Financial Information” on page 86 of this Draft Letter of Offer.
Secretarial Auditor of the Company	M/s Ladhawala & Associates. Practising Company Secretaries

III. ISSUE RELATED TERMS

TERM	DESCRIPTION
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●].
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renounees who are entitled to make an application for the Equity Shares in terms of this Draft Letter of Offer.
Application	Application made by the Applicant through (i) submission of the Application Form or plain paper Application to the Designated Branch of the Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable at the time of Application, i.e., Rs. 2 per Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Applicant(s) to make an application authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Applicant / ASBA Investor	Applicant/Investor proposing to subscribe to the Issue authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB

TERM	DESCRIPTION
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Banker(s) to the Company	HDFC Bank Limited
Banker(s) to the Issue/ Escrow Collection Bank	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] to be entered into by and among our Company, the Registrar to the Issue, the Advisor to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in "Terms of the Issue" beginning on page no. 171.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, from the ASBA Investors and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
Draft Letter of Offer / DLOF	This Draft Letter of Offer dated May 02, 2024
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date, i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "Notice to Investors" on page 11.
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors.
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [●]
General Corporate Purposes	General Corporate Purposes General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
GIR	General Index Registrar
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, being [●] and the Renouncee(s)
Issue / Rights Issue	Issue of up to 23,26,23,311 equity shares with a face value of Re. 1.00 each ("Rights Equity Shares") of our company for cash at a price of Rs. 2 each including a share premium of Re. 1 per rights equity share ("Issue Price") for an aggregate amount up to Rs. 4652.47 lakhs* on a rights basis to the existing equity shareholders of our company in the ratio of 1 Right equity shares for every 1 Fully paid-up equity shares held by the existing equity shareholders on the record date, that is on [●] day, [●] (the "Issue"). The issue price for the rights equity shares is 2.00 times the face value of the equity shares. * Assuming full subscription. Subject to finalization of the Basis of Allotments.
Issue Closing Date	[●]
Issue Opening Date	[●]

TERM	DESCRIPTION
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	Rs. 2 per Rights Equity Share payable on Application
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	Issue of up to 23,26,23,311 Rights Equity Shares aggregating to an amount up to Rs. 4652.47 lakhs.
Letter of Offer / LOF	The final letter of offer dated [●] to be issued by our Company in connection with the Issue.
Material Subsidiaries	Following company have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations as Material Subsidiaries; Our Company does not have any Material Subsidiaries as of now except as defined under “Subsidiaries” above.
MCA Circulars	General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India, read with the circular dated August 3, 2020
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see “Objects of the Issue” on page 44.
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●]
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being, [●].
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being [●]
Registrar / Registrar to the Company and Issue/RTA	Registrar / Registrar to the Company being Bigshare Services Private Limited
Registrar Agreement to Issuer	Agreement dated February 22, 2024 entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI – Rights Issue Circular, the Companies Act and any other applicable law
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
RE ISIN	ISIN for Rights Entitlement i.e, [●]
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 200,000 (including an HUF applying through karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible

TERM	DESCRIPTION
	Equity Shareholder on the Record Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares / Rights Shares	Equity Shares of our Company having a face value of Re. 1.00 per share and to be Allotted pursuant to the Issue.
SEBI Rights Issue Circulars	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Self-Certified Syndicate Banks / SCSBs	Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Stock Exchanges	National Stock Exchange of India Limited and BSE Limited where the Equity Shares of the Company are presently listed.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter or a Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of SEBI ICDR Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai and Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai and Mumbai are open for business. Furthermore, for the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

IV. INDUSTRY RELATED TERMS

TERM	DESCRIPTION
ATUFS	Amended Technology Upgradation Fund Scheme
FDI	Foreign Direct Investment
MITRA	Mega Integrated Textile Region and Apparel
NIFT	National Institute of Fashion Technology
PLI	Production-linked incentive
SITP	Scheme for Integrated Textile Parks
TUFS	Technology Up gradation Fund Scheme
WEO	World Economic Outlook

V. CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

TERM	DESCRIPTION
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Bn	Billion
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited

TERM	DESCRIPTION
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	Erstwhile Companies Act, 1956, and new Companies Act, 2013 and the rules made thereunder
Competition Act	Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings per Share
ERP	Enterprise Resource Planning
Exchange Information	Collectively constitutes and includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with press releases, announcements, investor education presentations and annual reports.
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rule	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial year/ FY / Fiscal	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
Government / GoI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financing Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Income-tax Act / I.T. Act / IT Act	Income-tax Act, 1961
I. T. Rules	Income Tax Rules, 1962
India	Republic of India
IPO	Initial public offering
ISIN	International Securities Identification Number allotted by the depository
IT / IT Act	Information Technology, Information Technology Act, 2000

TERM	DESCRIPTION
Listing Agreements	Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
Mn.	Million
MoU	Memorandum of Understanding
Mutual Fund	Mutual fund registered with SEBI under the SEBI (Mutual Fund) Regulations, 1996.
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NAV	Net asset value
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depositories Limited
NR / Non-Resident	A person resident outside India, as defined under the FEMA
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NRI	A person resident outside India as Non-Resident Indian, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA.
OCI	Overseas Citizen of India
p.a.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Regulation S	Regulations S under the Securities Act
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

TERM	DESCRIPTION
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI PIT Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SDR	Strategic Debt Restructuring
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
State Government	Government of a state of India
TAN	Tax Deduction Account Number
Trade Marks Act	Trade Marks Act, 1999
UAE	United Arab Emirates
U.S.	United States of America
USD	United States Dollar
U. S. QIB	A qualified institutional buyer as defined in Rule 144A under the Securities Act
US Securities Act	United States Securities Act of 1933
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
YoY	Year on Year

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the SEBI ICDR Regulations, the Depositories Act and the rules and regulations made thereunder.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Draft Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges, subject to the applicable law.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("United States"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft

Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement

Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Draft Letter of Offer, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Sakuma Exports Limited.

Financial Data

Unless stated otherwise, financial data in this Draft Letter of Offer is derived from the Restated Financial Statements for the financial year ended 31st March 2023, 2022 and 31st March, 2021 which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Draft Letter of Offer.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Draft Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31.

In this Draft Letter of Offer any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Draft Letter of Offer.

Currency and Units of Presentation

In this Draft Letter of Offer, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

Exchange Rates

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

Market and Industry Data

Unless stated otherwise, industry and market data used in the Draft Letter of Offer have been obtained or derived from publicly available information and government sources. Publicly available information generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Further, the information has also been derived from report entitled “Indian Sugar Sector” dated June 2023 (the “ICRA Report”) prepared by ICRA Limited. The ICRA Report has been commissioned and paid for by the Company, for an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue.

Except for the ICRA Report, we have not commissioned any report for purposes of the Draft Letter of Offer and any market and industry related data, other than that derived from the ICRA Report, used in the Draft Letter of Offer has been obtained or derived from publicly available documents and other industry sources.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section entitled ‘Risk Factors’ beginning on page 20. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

Further, the extent to which the market and industry data used in the Draft Letter of Offer 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.

Conversion rates for foreign currency

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

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

Currency	(Amt. in Rs.)			
	Exchange rate as on			
	December 29, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 US \$	₹ 83.12	₹ 82.22	₹ 75.81	₹ 73.50

Source: www.fbil.org.in

Note: In the event that any of the above mentioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Industry Overview”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘future’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will continue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Increased competition in the sectors / areas in which we operate;
- Factors affecting the industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies, laws and regulatory actions that apply to or affect our business.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “Risk Factors” beginning on page 20 of this Draft Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer. Neither our Company, our Directors, our Promoter nor any of their respective affiliates or advisors have any obligation to update or 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. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward- looking statements attributable to our Company

are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI ICDR Regulations, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Financial Statements”, “Outstanding Litigation and Defaults”, “Terms of the Issue” on pages 20, 44, 55, 60, 86, 158 and 171 respectively.

Summary of our Business

Our Company was originally incorporated as Vinny Overseas Private Limited on May 29, 1992 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat. Subsequently, the name of the company was changed from “Vinny Overseas Private Limited” to “Vinny Overseas Limited” under The Companies Act, 2013 and had obtained fresh certificate of incorporation dated March 02, 2017 issued by the Registrar of Companies, Ahmedabad. Our Company was listed on Emerge Platform of National Stock Exchange of India Limited on October 11, 2018, vide listing and trading approval from National Stock Exchange of India Limited dated October 10, 2018, Further, our Company migrated to main board of National Stock Exchange of India Limited vide listing and trading approval dated November 24, 2022 and of Bombay Stock Exchange Limited vide listing and trading approval dated November 25, 2022. The Corporate Identification Number is L51909GJ1992PLC017742.

We are engaged in the processing of fabrics for shirting, suiting and dress materials through manufacturing process of weaving, dyeing, printing and finishing. Our company obtains grey fabric from the domestic market and dyes it to the client's specifications based on quality of the fabric, size and other factors. Our Company is also engaged in Job-Work for wholesale cloth merchants and also trade in grey cloth as per the order received from the customer.

Our products offering can be largely classified into Shirting Fabrics, Shooting Fabrics, Polyester Fabrics, Dress Materials and Cotton Fabrics. Our operations and facilities enable us to provide a number of textile products / processes for our customers.

Established in 1992, with over two decades of experience in the textile industry, we cater both domestic and international clients. Our company focuses primarily on fabric quality by utilising plant and machinery equipped with the necessary technologies, supplying excellent textiles at affordable costs, and preserving long-term relationships with our clients.

Our promoter Mr. Hiralal Parekh has over three decades of expertise in the textile industry. The promoter of our company oversees the day-to-day operations and actively participates in decision-making processes aimed at revamping the entire operations, including processing, marketing, finance, and other commercial activities pertinent to our business.

We have an in-house Testing and Quality Control (“QC”) Team which undertakes testing and quality management. Our testing and QC team coupled with our testing equipments ensure the quality of raw material dispensed in the process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

All our products are manufactured in-house at our manufacturing unit located in Ahmedabad, which enables us to have an effective control over the manufacturing process and to ensure consistent quality of our products. For details, please refer to “Our Manufacturing Infrastructure” on page 68 of the Draft Letter of Offer.

Our Company has also set up a wind power project of 1.650 MW capacity at village Vandhiya, Taluka-Bhachau, District Kutch using wind turbine generators in Gujarat. The basic purpose of installing this power project was to meet the heating and power requirement of the process plant. Our Company has executed an agreement with Torrent Power Ltd. (“TPL”) Dated April 12, 2010 whereas TPL has agreed to wheel the electricity generated by our Company for captive use from TPL receiving point to our processing plant and TPL shall purchase the surplus energy i.e. total energy generated by our Company minus the energy consumed by our Company at the rate as approved by Gujarat Electricity Regulatory Commission.

For further details, see “*Business Overview*” on page 60.

Summary of Industry

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is

its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

For further details, see “*Industry Overview*” on page 55.

Objects of the Issue

We intend to utilize the Net Proceeds as set forth in the following table:

Particulars	(Rs. In Lakhs)
	Amount
Repayment of borrowings;	1700.00
Purchase of Machinery and Construction in the existing Manufacturing Unit; and	1387.19
To meet incremental working Capital requirements	1000.00
General Corporate Purposes #	[●]
Net proceeds from the Issue #	[●]

Assuming full subscription and Allotment in the Issue. Subject to finalization of the Basis of Allotment and the Allotment of the Equity Shares. While the amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall amount utilization towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

For further details, see “*Objects of the Issue*” on page 44.

Our Promoters

The Promoter of our Company is Mr. Hiralal Parekh. For details on our promoters, please refer to page no. 84 of the Draft Letter of Offer.

Intention and extent of participation by our Promoters and Promoter Group

Our Promoters and Promoter Group vide their letters dated April 03, 2024 (the “Subscription Letters”) have agreed that they may or may not: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters, member(s) of the Promoter Group of our Company; (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue; (c) subscribe to, either individually or jointly and/ or severally with any other Shareholder for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue; (d) the eligible members of our Promoter Group reserve the right to subscribe either itself and/or through third party(ies) by renouncing their Rights Entitlement in the Issue, including in an event of under-subscription in this Issue, subject to the post issue aggregate shareholding of our Promoter and members of our Promoter Group not resulting in the minimum public shareholding of the issuer falling below the level prescribed under the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time; (e) Further, in accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date, the Issue shall stand withdrawal and on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date.

Any such subscription for Right Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of Restated Financial Information

The following table sets forth summary financial information derived from the Unaudited Financial Information for the nine months period ended December 31, 2023 and Restated Audited Financial Statement for financial year ending

on March 31, 2023, March 31, 2022 and March 31, 2021:

(Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 [^]	FY 2022-2023*	FY 2022-23*	FY 2021-22*
Equity Share Capital	2326.33	2326.33	919.46	919.46
Net Worth	3095.01	2781.32	2546.06	2990.84
Total Income	8734.41	10662.22	11010.98	13818.14
Profit/ (Loss) after tax	313.69	235.26	(444.78)	36.46
Basic & Diluted EPS	0.13	0.10	(0.19)	0.02
Total borrowings #	2278.67	1713.77	1412.34	2316.13

[^] As per Unaudited Financial Statements submitted to the Stock Exchange.

* As per the Restated Financial Statements.

consists of borrowings under non-current liabilities current liabilities.

Contingent Liabilities

For details regarding our contingent liabilities for FY 2023, FY 2022 and FY 2021 please refer to “Financial Statements” beginning on page no. 86 of this Draft Letter of Offer and Offer and see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page no. 147 of this Draft Letter of Offer.

Related Party Transactions

For details on related party transactions for FY 2023, FY 2022 and FY 2021 see refer to “Financial Statements” on page no. 86 of this Draft Letter of Offer.

Financing Arrangements

There have been no financing arrangements whereby our Promoter, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of the Company, other than in the normal course of financing entity during the period of six months immediately preceding the date of this Draft Letter of Offer.

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

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Draft Letter of Offer.

Summary of Outstanding Litigations

(Rs. in Lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings	Outstanding Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved
Company						
By the Company	Nil	1	Nil	Nil	Nil	Unascertainable
Against the Company	Nil	2	Nil	Nil	Nil	48.90
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	1	Nil	Nil	Nil	0.17
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	4	Nil	Nil	Nil	0.37

For further details, see “*Outstanding Litigations and Defaults*” beginning on page 158 this Draft Letter of Offer.

Risk Factors

For details of the risks applicable to us, including to our business, the industry in which we operate and our Equity Shares, see “*Risk Factors*” on page 20.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective Investors should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the “Financial Statements” on page 86, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 60, 55 and 147 respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Draft Letter of Offer 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 Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see “Forward Looking Statements” on page 15.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements and Unaudited Financial Results included in this Draft Letter of Offer. For further information, see “Financial Statements” on page 86. In this section, unless the context otherwise requires, a reference to “our Company” is a reference to Sakuma Exports Limited on a standalone basis, while any reference to “we”, “us”, is a reference to Sakuma Exports Limited on a consolidated basis.

INTERNAL RISK FACTORS

1. There are certain outstanding legal proceedings involving our Promoter and Promoter Entities which may adversely affect our business, financial condition and results of operations.

There are certain proceedings pending at different levels of adjudication before various authorities, enquiry officers and appellate forums. Such proceedings could divert management time, attention and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. A summary of the outstanding proceedings against our Company and Group Companies as disclosed in this Draft Letter of Offer, to the extent quantifiable, have been set out below:

(Rs. in Lakhs)						
Name of Entity	Criminal Proceedings	Tax Proceedings	Outstanding Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved
Company						
By the Company	Nil	1	Nil	Nil	Nil	Unascertainable
Against the Company	Nil	2	Nil	Nil	Nil	48.90
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the	Nil	1	Nil	Nil	Nil	0.17

Name of Entity	Criminal Proceedings	Tax Proceedings	Outstanding Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved
Promoter						
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	4	Nil	Nil	Nil	0.37
Group Companies						
By the Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against the Group Companies	Nil	3	Nil	Nil	Nil	0.04

For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 158 of this Draft Letter of Offer.

2. ***Our top ten customers contribute about 36.20%, 39.40%, 34.58% of our revenues for the year ended March 31, 2023, March 31, 2022 and March 31, 2021. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top ten customers contribute to a substantial portion of our revenues for the period ended March 31, 2023, March 31, 2022 and March 31, 2021. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We believe we have maintained good and long-term relationships with our customers. However, there can be no assurance that we will continue to have such a long-term relationship with them. Also, any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

3. ***We are dependent upon few suppliers for the material requirements of our business. Further, we do not have definitive agreements or fixed terms of trade with most of our suppliers. Failure to successfully leverage our relationships with existing suppliers or to identify new suppliers could adversely affect our business operations.***

While we have maintained a long-term relationship with many of our suppliers and we have been able to negotiate favorable credit terms from them due to increased order sizes and timely payments, we cannot assure you that we shall be able to maintain such favourable credit terms in future. In this regard, for year ended March 31, 2023, 2022 and 2021, our top 10 suppliers contributed around 18.06 %, 23.68 % and 38.28 % respectively of our purchases. We are, to a major extent, dependent on external suppliers for our raw materials requirements specifically the grey cloth and/ or other raw materials like Chemicals & Colours, etc.; we do not have any long-term supply agreements or commitments in relation to the same used in our manufacturing process. Although we have long term relationship with our suppliers, we do not have a formal written agreement with any of them. We get longer credit periods based on our relationship with the suppliers established over a period of time primarily because of continuity of orders placed with them, size of the order and timely payments made to suppliers.

4. ***We do not own our Registered office cum Manufacturing unit facility from which we carry out our business activities.***

Any termination or dispute in relation to these rental agreements may have an adverse effect on our business operations and results thereof. We do not own the Registered Office cum Manufacturing Unit. The said offices are taken by us on lease basis from the Promoter Mr. Hiralal Parekh. As per the leave & license agreements, non-payment or default in payment of rentals or violation of any term of rent agreement may require us to vacate the said premises which may cause disruption in our corporate affairs and business and impede our effective operations and thus adversely affect our profit ability. We also cannot assure that lessor will not terminate the rental agreement prior to expiry or at the time of expiry of the agreement, which would require us to locate to another premise and may have an adverse effect on conducting our business operations. For further details regarding the premises, please refer to chapter "Our Business" on page 60 of this Draft Letter of Offer.

5. ***Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event, we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

Further, our Company is required to renew these insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, our Company may face significant uninsured losses. If our Company suffers a large uninsured loss or if any insured loss suffered, significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

6. *We have in past entered into related party transactions and may continue to do so in the future, may potentially involve conflicts of interest and impose certain liabilities on our Company.*

We have entered into related party transactions with our Promoters, Promoter Group, and Directors. While we believe that all such transactions have been conducted on the arm's length basis, however it is difficult to ascertain whether more favourable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we may enter into related party transactions in the future. For details of these transactions, please refer to the section titled "Restated Financial Statement" at page 86 of this Letter of Offer.

7. *The objects of the Offer for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.*

Our funding requirement set out in the chapter "Objects of the Issue" on page 44 are based on management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macroeconomic changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilization of proceeds from the Offer may also change. This may also include re-scheduling the proposed utilization of Offer Proceeds at the discretion of our management. Moreover, we have also not entered into definitive agreements to utilise the proceeds from the Offer for certain objects of the Offer. We may make necessary changes to the utilisation of Offer Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilization of the Offer Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

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

The textile industry is highly and increasingly competitive and unorganised, and our results of operations and financial condition are sensitive to, and may be materially adversely affected by competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins, lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. The textile segment which we cater to is fragmented and continues to be dominated by unorganised suppliers. Textile industry also has many large conglomerates giving further competition to players like us. We compete primarily on the basis of quality, customer satisfaction and marketing. We believe that in order to compete effectively, we must continue to maintain our reputation, be flexible and prompt in responding to rapidly changing market demands and customer preferences, and offer customer a wide variety of fabrics at competitive prices. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

9. *Any fluctuations/volatility in the prices of fabrics, colours & chemicals and other raw materials, may adversely impact our total cost of goods sold.*

Our Company mainly purchases Grey Fabrics from various suppliers for our processing operations. Also, processing requires colours and chemicals which are used for dyeing and printing. We are therefore, entirely dependent on external suppliers for the raw materials which constitutes a majority of the total cost of raw materials for our processing operations. The prices of Grey Fabric depend largely on the market prices of the various yarns and cotton, which are the raw material for manufacture of grey fabric and any increase in prices of raw material is generally passed on to our customers. However, any upward fluctuations in the prices which we may not be able to pass on to our customers could have a material adverse effect on our total cost of production. Further, any material shortage or interruption in the supply or decrease in quality of these raw materials could also adversely impact our business operations.

10. We may be unable to attract and retain employees with the requisite skills, expertise and experience, which would adversely affect our operations, business growth and financial results.

We rely on the skills, expertise and experience of our employees to create designs which are preferred by our customers. Our employees through their years of experience and expertise in designing related activity are creating varieties of designs as per the global trend and continuously updating them with their own expertise. Designs being one of our important competitive strengths, we are largely dependent on our inhouse designing team. Our employees may terminate their employment with us prematurely and we may not be able to retain them. Experienced and skilled workers in the textile industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent personnel or any material increase in employee costs as a result of the shortage of skilled employee, our competitiveness and business would be damaged, thereby adversely affecting our financial condition and operating results. Further, if we fail to identify suitable replacements of our departed staff, our business and operation could be adversely affected and our future growth and expansions may be inhibited.

11. Our Company generates a substantial portion of revenue from our domestic operations specifically from Gujarat, Rajasthan and Maharashtra and any downturn and/ or any economic, regulatory, social and political change in any of the Indian states in which we operate or seek to operate may affect our market share and/ or may adversely affect our business, financial condition and results of operations.

As on the date of this Draft Letter of Offer, we generate a substantial portion of our revenue from domestic operations through our customers situated in Gujarat, Rajasthan, Maharashtra, Delhi and Haryana. For details, please refer to “Business Overview- Revenue wise breakup”, beginning on page no. 60 of the Draft Letter of Offer. Thus, the sales of our Company are widely dispersed throughout India and any failure to maintain such dispersion may impact sales, revenues, and consequently, the financial performance of the Company. Further, any failure in expanding our geographical presence within India may lead to loss of opportunity in earning higher revenue thereby effect our growth and profit in the Company.

Further, our business is also subject to diverse and constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate. Our failure to comply with and adapt to changing state regulations and/or trends may result in us failing to maintain and/or expand our international sales operations, which could adversely affect our business, financial condition and results of operations.

In case of any contingencies in the future, due to which we are unable to operate effectively in these markets, our results of operations, revenues and profitability may be adversely affected. Due to this, we may not be able to expand our business effectively within Indian markets, thereby affecting our business, results of operations and financial condition.

12. Our Company is dependent on third party transportation providers for the delivery of raw materials and finished products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our Company’s reputation, business, financial condition, results of operations and prospects.

We use third party transportation providers for the supply of most of our raw materials and for delivery of our products to our customers. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. Non-availability of transportation services could also adversely affect our receipt of raw materials and the delivery of our products. In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

13. Our lenders have imposed certain restrictive covenants on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.

The financing arrangements entered into by us include conditions that require our Company to obtain respective lenders’ consent prior to carrying out certain activities and entering into certain transactions. As of March 31, 2023, we had outstanding indebtedness of Rs. 1,713.77 Lakhs (consists of borrowings under non-current liabilities and

borrowings under current liabilities) (based on Restated Financial Statements). For details on our borrowings, please refer to “Financial Statements” on page no. 86 of this Draft Letter of Offer and see “Management’s Discussion and Analysis of Financial Condition and Results of Operations on page no. 147 of the Draft Letter of Offer. Further for the process of this Issue, our company has obtained the consent from the respective lender. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, (a) permit any change in the ownership/ control/ management/ shareholding (including by pledge of promoter/ sponsor shareholding in the borrower to any third party), and (b) wind up, liquidate or dissolve its affairs or take any steps for its voluntary winding up or liquidation or dissolution. While we have received all relevant consents required for the purposes of this Issue and have complied with these covenants, a failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time. While we have not defaulted on any covenants in financing agreements in the past, we cannot assure you that this will continue to be the case in the future.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents/ waivers, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare a default against us and enforce remedies under the terms of the financing agreements, that include, among others, acceleration of amounts due under such facilities, enforcement of any security interest created under the financing agreements and taking possession of the assets given as security in respect of the financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing.

14. Our Company had negative cash flow from certain activity in recent fiscals, details of which are given below.

Sustained negative cash flow could adversely impact our business, financial condition and results of operations. The detailed break up of cash flows is summarized in below table and our Company has reported negative cash flow from operating activity in the financial years is as mentioned below, which could affect our business and growth:

Particulars	(Rs. In lakhs)			
	For the nine months period ended December 31, 2023	FY March 31, 2023	FY March 31, 2022	FY March 31, 2021
Net cash flow from operating activities	767.02	472.58	1327.15	671.34
Net cash flow from investing activities	(558.48)	(669.55)	(276.44)	51.82
Net cash flow from financing activities	458.74	197.22	(1050.29)	(726.72)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further, details please refer to the section titled “Financial Statements” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page no. 86 and page no. 147 respectively, of this Draft Letter of Offer.

15. We may face a risk on account of not meeting our export obligations.

We have obtained licenses under Export Promotion Capital Goods scheme (“EPCG”) as listed under the heading ‘Export and Export Obligations’ in the chapter titled “Business Overview”. As per the licensing requirement under the said scheme, we are required to export goods of a defined amount, failing which, we have to make payment to the Government of India equivalent to the duty benefit enjoyed by us under the said scheme along with interest. As on the date of Draft Letter of Offer, our balance export obligation to be completed is Rs. 385.50 Lakhs. For further information please refer to the chapter “Business Overview” beginning on page 60 of this Draft Letter of Offer.


16. We have not entered into any technical support service for the maintenance and smooth functioning of our equipment’s and machineries, which may affect our performance.

Our manufacturing processes involve daily use of technical equipment’s and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our company has not entered into any technical support service agreements with any competent third party. However, Company has an in-house team for maintenance and advancement of machinery. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and results of operations.

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

Our industry being labour intensive is dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We also have long term relationships with the contract laborers that provide us the necessary labours on contract basis. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

18. *We have not registered the trademarks used by us for our business and our inability to obtain or maintain these registrations may adversely affect our competitive business position.*

Our inability to protect or use our intellectual property rights may adversely affect our business. We have not applied for the registration of our name and logo . The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business. Further, if any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim ownership or make use of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive business position. This may affect our brand value and consequently our business.

19. *Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or under- utilization of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.*

As on date of this Draft Letter of Offer, we are conducting our operations through manufacturing unit situated at B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat, India, 382405. Our business is dependent upon our ability to manage our manufacturing units, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. We may also face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

For an instance, on March 27, 2024 we have experienced a fire breakout at our manufacturing unit which resulted in shutdown of our operations of Digital Printing Department. However, as on the date of this Draft Letter of Offer, the Company has already intimated the Insurance Company for the incidence and requested to depute Surveyor. Insurance Survey is expected to be conducted in due course. Further, our production of other machineries to a large extent is in proper operation. We cannot assure you that there will not be any such disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

20. *As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations.*

Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties. The Equity Shares of our Company are listed on BSE and NSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There has been an instance in the recent past wherein, our Company has failed to comply with the requirement of the SEBI Listing Regulations in a timely manner. For instance, our Company has delayed in filing disclosure under Regulation 47 of SEBI Listing Regulation in regards to newspaper advertisement.

Our Company endeavours to comply with all obligations/reporting requirements under various regulations framed by SEBI and/or Stock Exchanges. However, there may have been instances of non-disclosures/ delayed/ erroneous disclosures and/or any other violations committed by us, and the same may result in imposition of penalties and other regulatory actions against our Company and/or persons in default by SEBI and/or Stock Exchanges. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

21. *Unsecured loans taken by our Company can be recalled by the lenders at any time.*

Our Company has currently availed unsecured loans from certain lenders. These loans may be recalled by the lenders at any time. In the event that, any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all and this may affect our Company's liquidity. If we are unable to procure such financing, we may not have adequate working capital to maintain the desired inventory level. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

22. *We are dependent on Promoters, a number of key employees, including our senior management, and the loss of or our inability to attract or retain such persons with specialized technical know-how could adversely affect our business, results of operations, cash flows and financial condition.*

Our performance depends largely on the efforts and abilities of our Promoters, senior management and other senior management, including our present officers who have creative minds, specialized technical know-how. The inputs and experience of our senior management and key managerial personnel are valuable for the development of our business and operations strategy. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our ability to retain experienced staff members as well as senior management will in part depend on our maintaining appropriate staff remuneration and incentive schemes in accordance with then prevailing private sector industry standards. We cannot assure you that the remuneration and incentive schemes we have in place will be sufficient to retain the services of our senior management and skilled employees.

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

Our Directors and Key Managerial Personnel ("KMP") are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and KMP may also be interested to the extent of their shareholding and dividend entitlement in our Company.

24. *Our Promoter has provided personal guarantees for a portion of borrowings taken by Company to secure such loans.*

Our Individual Promoter has provided personal guarantees as collateral for a portion of borrowings made by our Company. For details on the borrowings of the Our Company, please refer Restated Financials Statements on page no. 86 of this Draft Letter of Offer. If our Company default in their repayment obligations, the guarantees extended by our Individual Promoters may be invoked and such lenders may require our Individual Promoters to discharge the balance liability of our Company, if any, and the lenders may recover the dues from personal assets of our Individual Promoters, including shares held by such Individual Promoters in our Company. In the eventuality of a default in the repayment of loans by our Company, it may divert the attention of our management and Individual Promoters towards any legal proceedings or recovery proceedings initiated in respect of such defaults by our Company. Under such circumstances, there could be an adverse impact on our business, financial conditions, and results of operations of our Company.

25. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet.*

We have not commissioned an industry report, for the disclosures which need to be made in the chapter titled “Industry Overview” of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

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

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

27. *There have been several instances of delay/ default in payment of statutory dues and filing of statutory returns by our Company in the past.*

There have been several instances of delay/ default in payment of statutory dues including professional tax, TDS, Income Tax payments, Tax deducted at source by our Company in the past which were not material in nature. For the Assessment Year 2023-2024, there has been general delay in depositing undisputed statutory dues such as Professional tax of Rs. 39,800, TDS of Rs. 4,602 by our Company due to several reasons including liquidity issues and the same has been paid in due course of time. As on the date of the Draft Letter of Offer, there no pending payments of statutory dues. However, we cannot assure you that there will be no default or delay in future in payment of such statutory dues. Further, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by respective statutory authorities on account of such delay in payments or filing of returns, which may adversely affect our business, financial condition, and reputation.

28. *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategies could have an adverse effect on our business, results of operations and financial condition. The success of our business will depend greatly on our ability to effectively implement our business and growth strategies.*

Our growth strategies require us to develop and strengthen relationships with existing customers for our business who may drive high volume orders on an ongoing basis. To remain competitive, we seek to increase our business from existing customers and by adding new customers, as well as expanding into new geographical markets.

Our success in implementing our growth strategies may be affected by:

- our ability to maintain the quality of our services;
- our ability to increase our geographic presence;
- macroeconomic factors determining the growth of the Indian economy as a whole and real estate sector in particular;
- the general condition of the global economy (particularly of India and the other markets that we currently or may operate in);
- our ability to compete effectively with existing and future competitors,
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. While we have successfully executed our business strategies in the past, there can be no assurance that

we will be able to execute our strategies on time and within our estimated budget, or that our expansion and development plans will increase our profitability.

Any of these factors could adversely impact our results of operations. We expect our growth strategies to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategies could have a material adverse effect on our business, financial condition and profitability.

29. *We have contingent liabilities, and our financial condition could be adversely affected if any of these contingent liabilities materializes.*

Our Contingent liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 as per our Audited Financial Statements and Restated Statements are set out below:

Particulars	(Rs. In Lakhs)		
	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Claims against the company not acknowledged as debt	-	8.54	8.54
Income Tax Under appeal	48.89	48.89	48.89
Guarantee as member of Narol Textile Infrastructure and Enviro Management	74.19	74.19	74.19
Total	123.08	131.63	131.63

For further details, please see to the section “Restated Financial Statements” on page 86 of this Draft Letter of Offer.

30. *Any inability to address changing industry standards and consumer trends may adversely affect our business, results of operations and financial condition.*

The future success of our business will depend in part on our ability to respond to technological advances, consumer preferences and emerging industry standards and practices in a cost-effective and timely manner. The development and implementation of such new technology entails technical and business risks. We may have to incur substantial capital investment to upgrade our equipment and manufacturing facilities. While we continue to invest in various product development initiatives, adopt enhanced technologies and processes for the development of new products, we are subject to general risks associated with introduction and implementation of new products including the lack of market acceptance and delays in product development. There can be no assurance that we will be able to successfully develop new services or that such new services will receive market acceptance or address changing consumer trends or emerging customer standards. Any rapid change in the expectations of our customers, in our business could adversely affect our business, results of operations and financial condition.

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

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

32. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further we have not identified any alternate source of financing the ‘Objects of the Offer’.*

Any shortfall in raising / meeting the same could adversely affect our growth plans, operations, and financial performance. As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the Offer. We meet our capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Offer or any shortfall in the Offer Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page no. 44 of this Draft Letter of Offer.

33. *Orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations.*

We may encounter problems in executing the orders in relation to our services, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such services or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such services, resulting from our customers discretion or problems we encounter in the delivery of such services or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such services can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed.

34. *The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted.*

An outbreak of COVID-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Since May 2020 many of these measures have been lifted. We proactively engaged with our clients to reassure them and to demonstrate our commitment to restart our operations and to build confidence in the safety protocols deployed at our stores. Further, the lockdown was again imposed by the government in some parts of India during April 2021, which was partially relaxed in June 2021, during this period of lockdown and relaxation, our stores were partially operational. If we do not respond appropriately to the pandemic, or if customers did not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future.

We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations and our financial results may be impacted.

35. *Any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer shall be subject to certain compliance requirements, including prior Shareholders' approval.*

Our Company intends to deploy and utilize Net Proceeds raised pursuant to the Initial Public Offer in the manner set out in the section titled "Objects of the Issue" on page no. 44 in the Draft Letter of Offer. In accordance with SEBI LODR Regulations and other applicable provisions, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations and it may also lead to delay in deployment of funds as per the schedule of implementation as disclosed in objects section titled "Objects of the Issue" on page no. 44 in the Draft Letter of Offer. In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by redeploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

36. *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 the Audit Committee.*

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above ₹ 10,000 Lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution

or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.

37. We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our financial condition and results of operations.

We expect that a portion of our Revenue from Operations will continue to be generated in foreign currencies including the U.S. Dollar and that some of our expenses will continue to be denominated in foreign currency including the U.S. Dollar. Accordingly, our operating results have been and will continue to be impacted by fluctuations in the exchange rate between the Indian Rupee and such other foreign currencies.

Volatility or fluctuations in the value of the Indian Rupee against foreign currencies such as the U.S. Dollar may adversely affect our results of operations. At present, we have entered into forward contracts to hedge our foreign currency exposure. However, there can be no assurance that such measures will enable us to mitigate the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other relevant foreign currencies. Further to the extent of the foreign currency exposure, which are unhedged, any losses on account of foreign exchange fluctuations may adversely affect our results of operations and cash flows.

ISSUE SPECIFIC RISKS

38. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further in case the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements.

39. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

40. Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of the Equity Shares and except the pending transfers). For details, refer chapter titled “Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 177 of this Draft of Letter of Offer.

41. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, the Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Issue Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Issue Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

42. Your ability to acquire and sell the Issue Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Draft Letter of Offer.

No actions have been taken to permit an offering of the Issue Shares in the Issue in any jurisdiction except India. As such, our Issue Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Issue Shares is restricted by the distribution and solicitation restrictions set forth in this Draft Letter of Offer. For further information, please refer to the chapters entitled 'Notice to Investors', 'Other Regulatory and Statutory Disclosures' and 'Restrictions on Foreign Ownership of Indian Securities' on pages 11, 164 and 195, respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Issue Shares made other than in compliance with applicable law.

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

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained Government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

44. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long-term capital gains tax in India if Securities Transaction Tax (STT) is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018, taxes such long term capital gains exceeding ₹1 lakh arising from sale of equity shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

45. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Prices of listed securities are subject to volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

46. The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- (b) changes in revenue or earnings estimates or publication of research reports by analysts;
- (c) speculation in the press or investment community;
- (d) general market conditions; and,
- (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

47. There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and allotted. In addition, we are required to deliver the Draft Letter of Offer to SEBI and the Stock Exchanges under the applicable provisions of the Companies Act and the SEBI ICDR Regulations. The trading approvals shall be granted subject to the submission of all other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares. Further, a closure of, or trading stoppage on the Stock Exchanges could adversely affect the trading price of the Equity Shares.

48. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

EXTERNAL RISK FACTORS

49. Political instability or changes in the government or government policies could impact the liberalization of the Indian economy.

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

50. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

51. *Financial instability in Indian financial markets could adversely affect our Company's results of operations and financial condition.*

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

52. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial condition.*

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and / or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial condition.

53. *General economic conditions in India and globally could adversely affect our business, results of operations and financial condition.*

Our business, prospects, results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, prospects, results of operations and financial condition. Our Company mainly derives revenue from operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility

in interest rates, volatility in currency exchange rates, volatility in commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our Company's employee costs and decrease our operating margins, which could have an adverse effect on our business, prospects, results of operations and financial condition.

Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our Company's business. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards the industry in which our Company operates, which may in turn, adversely affect our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, results of operations and financial condition as well as the market price of the Equity Shares.

54. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition. India's physical infrastructure is in a developing phase, as compared to that of many developed nations.

Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could have an adverse effect on our results of operations and financial condition.

55. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

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

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

57. Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.

Indian laws and legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law, including in relation to class actions, may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on September 26, 2023 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions.

The following is a summary of this Issue and should be read in conjunction with and is qualified in its entirety by, the information detailed in “*Terms of the Issue*” on page 171 of this Draft Letter of Offer.

PARTICULARS	SCHEME DETAILS
Equity Shares proposed to be issued	Up to 23,26,23,311 Rights Equity Shares
Rights Entitlements	1 Rights Equity Shares for every 1 Equity Shares held on the Record Date.
Record Date	[●]
Face value per Equity Share	Re. 1.00 per equity share
Issue Price per Rights Equity Share	Rs. 2 per equity share (including a premium of Re. 1 per equity share)
Issue Size	Up to 4652.47 Lakhs * * Assuming full subscription. Subject to finalization of the Basis of Allotments.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari pasu in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid-up prior to the Issue	23,26,23,311 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Equity Shares) and having made fully paid-up	46,52,46,622 Equity Shares
Use of Issue Proceeds	For details, see “Objects of the Issue” on page 44 of the Draft Letter of Offer
Terms of the Issue	For details, see “Terms of the Issue” on page 171 of the Draft Letter of Offer
Security Code	ISIN: INE01KI01027; BSE Script Code & Id: 543670 & VINNY ; NSE Symbol: VINNY

For details in relation fractional entitlements, see "Terms of the Issue-Fractional Entitlements" beginning on page 171 of this Draft Letter of Offer.

Payment Schedule of Rights Equity Share is as follows:

The Issue Price of Rs. 2 per Rights Equity Share (including premium of Re. 1 per Rights Equity Share) shall be payable on application.

GENERAL INFORMATION

Our Company was originally incorporated as Vinny Overseas Private Limited on May 29, 1992 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat. Subsequently, the name of the company was changed from “Vinny Overseas Private Limited” to “Vinny Overseas Limited” under The Companies Act, 2013 and had obtained fresh certificate of incorporation dated March 02, 2017 issued by the Registrar of Companies, Ahmedabad. Our Company was listed on Emerge Platform of National Stock Exchange of India Limited on October 11, 2018 vide listing and trading approval from National Stock Exchange of India Limited dated October 10, 2018. Further, our Company migrated to main board of National Stock Exchange of India Limited vide listing and trading approval dated November 24, 2022 and of Bombay Stock Exchange Limited vide listing and trading approval dated November 25, 2022. The Corporate Identification Number is L51909GJ1992PLC017742.

Registered Office

CIN : L51909GJ1992PLC017742
Address : B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat 382405 India
Tel No. : 9328804500-6300-7400
Email Id : cs@vinnyoverseas.in
Website : www.vinnyoverseas.in
Contact Person : Mansi Pratik Patel

Address of the RoC

Our Company is registered with the Registrar of Companies, Ahmedabad, which is situated at the following address:

Address : ROC Ahmedabad, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat India
Tel No. : 079-27438531
Email Id : roc.ahmedabad@mca.gov.in
Website : www.mca.gov.in

DESIGNATED STOCK EXCHANGE

National Stock Exchange of India Limited located at National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051, Maharashtra, India is the Designated Stock Exchange for the proposed Rights Issues of the Company.

Change in Registered Office Address:

As on the date of filing this Draft Letter of Offer, Our Company's Registered Office is situated at B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat 382405 India

Following are the details of the change in the address of the registered office of our Company since incorporation:

Date	From Address	To Address	Reasons for Change
03/03/2017	173, New Cloth Market, Ahmedabad Gujarat 380002 India	B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat 382405 India	For administrative purposes

OUR BOARD OF DIRECTORS

The following table sets out details regarding our Board as on the date of this Draft Letter of Offer:

Name and Designation	Age	DIN	Address
Hiralal Parekh Managing Director	59	00257758	7, Sundarya Villa, Ambali, Bopal Ahmedabad Gujarat 380058 India
Latadevi Parekh Whole-time director	59	02973048	7, Sundarya Villa, Ambali, Bopal Ahmedabad Gujarat 380058 India
Nishita Shah Whole-time director	33	07197925	290/1, Sundar Niwas, Netaji Marg Mithakhali Six Road, Navrangpura Ahmedabad Gujarat 380009 India

Name and Designation	Age	DIN	Address
Vandani Chowdhary Non-Executive Non-Independent Director	37	03048990	3/B, Mahavir Society, Nr. Mahalaxmi Cross Road, Paldi Ahmedabad Gujarat 380007 India
Rajnish Pathak Non-Executive Independent Director	28	08764000	Paroraha, P.O. Gobraura, West Champaran, Bettiah Bihar 845453 India
Parag Jagetiya Non-Executive Independent Director	29	08902895	F11 Radhe Appartment B/H Bombay Garage Shahibaug Ahmedabad Gujarat 380004 India
Divyaprakash Chechani Non-Executive Independent Director	39	08921232	E-301, Girivar Residency, Opposite Yogeshwar Park Society, 200 Ft. Ring Road, Near Vastral Ahmedabad Gujarat 382418 India
Neelam Gurbaxani Non-Executive Independent Director	31	09732346	22 Sukhdham Flats Old Vadaj Ahmadabad Gujarat 380013 India

For detailed profile of our Board of Directors, refer to chapter titled **‘Our Management’** on page no. 78 of this Draft Letter of Offer.

CHIEF FINANCIAL OFFICER

Name : **Mularam Prajapati**
Address : B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat 382405 India
Tel No. : 9328804500-6300-7400
Email Id : cs@vinnyoverseas.in
Website : www.vinnyoverseas.in

COMPANY SECRETARY & COMPLIANCE OFFICER

Name : **Mansi Pratik Patel**
Address : B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat 382405
India
Tel No. : 9328804500-6300-7400
Email Id : cs@vinnyoverseas.in
Website : www.vinnyoverseas.in

Investor Grievances

Investors are advised to contact the Company Secretary and Compliance Officer or Registrar to the Issue for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer / CAF / letter of allotment, Split Application Forms, Share Certificate(s) or refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non- ASBA process, see “Terms of the Issue” on page 180.

PEER REVIEW AND STATUTORY AUDITORS

Name : **KISHAN M MEHTA & CO**
Address : 6th Floor, Premchand House, Annexe, Ashram Road, Ahmedabad-380009,
Gujarat India
Tel No. : 079-26581570, 66055570
Email Id : kishanmmehtaco@gmail.com
Contact Person : Kishan M Mehta
Membership No. : 013707
Firm Registration No. : 105229W
M/s. Kishan M Mehta & Co, Chartered Accountant, holds valid Peer Review Certificate Number 015765 dated 25.08.2023 issued by Peer Review Board of the Institute of Chartered Accountants of India. The certificate is valid till 31.08.2026.

LEGAL ADVISOR TO THE ISSUE AS TO LIMITED CHAPTERS

Name : Advocate Pooja Sharma
Address : 8/14, Malad Co-op Housing Society Ltd, Poddar Park, Malad East, Mumbai – 400097 Maharashtra India
Tel No. : 09022869773
Email Id : poojalegalventures@gmail.com / arupuja87@gmail.com
Website : psklegal.in
Contact Person : Pooja Sharma
License No : MAH/5967/2013

REGISTRAR TO THE ISSUE and COMPANY

Name : **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, Maharashtra
Tel No. : +91 22 6263 8200
Email Id : rightsissue@bigshareonline.com
Investor Grievance Email : investor@bigshareonline.com
Contact Person : Mr. Suraj Gupta
Website : www.bigshareonline.com
SEBI Registration No. : INR000001385

BANKERS TO THE COMPANY

Name : **HDFC Bank Limited**
Address : Shree Krishna Complex, Gandhi Road, Ahmedabad – 380001 India
Tel No. : 7600004358
Email Id : abhishek.sharma103@hdfcbank.com
Contact Person : Abhishek Sharma
Website : www.hdfc.com

BANKER TO THE ISSUE/ REFUND BANK

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the NSE at www.nseindia.com and BSE at www.bseindia.com respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at https://www1.nseindia.com/products/content/equities/ipos/asba_procedures.htm and <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> , as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges.

Inter se allocation of responsibilities

Since only one Lead Manager has been appointed for purposes of the Issue, there is no requirement of an inter-se allocation of responsibilities.

Credit Rating

As the proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

Debenture Trustee

As the proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

Monitoring Agency

As per Regulation 82 of SEBI ICDR Regulations, the issue size is not exceeding ₹10,000.00 Lakhs, therefore appointment of monitoring agency is not applicable to this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any banks or financial institution or any other independent agency.

Expert Opinion

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

Our Company has received written consent dated March 08, 2024 from M/s. Kishan M Mehta., Chartered Accountants to include their name as required under Section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) Restated Financial statements and (ii) the statement of special tax benefits available to the Company and its shareholders dated March 23, 2024 included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term “expert” shall not be construed to mean an “Expert” as defined under the U.S. Securities Act.

Changes in Auditors during the last three years

There has been no change in the Statutory Auditor of our Company in last three years immediately preceding the date of this Draft Letter of Offer:

Underwriting

This Issue is not underwritten.

Filing

This Draft Letter of Offer is being filed with Stock Exchanges i.e.; BSE Limited and National Stock Exchange of India Limited to obtain In-Principle approval. The letter of Offer shall be submitted with Stock Exchanges and SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Draft Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

Minimum Subscription

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than four days after our Company becomes liable to pay subscription amount or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws. The above is subject to the terms mentioned under “Terms of the Issue” on page 171 of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

PARTICULARS	SCHEDULE
Last Date for Credit of Rights Entitlements	: [●]
Issue Opening Date	: [●]
Last Date for On Market Renunciation of Rights Entitlements#	: [●]
Issue Closing Date*	: [●]
Finalization of Basis of Allotment (on or about)	: [●]
Date of Allotment (on or about)	: [●]
Date of Credit (on or about)	: [●]
Date of Listing (on or about)	: [●]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

*Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date) or such other time as may be permitted as per applicable law.. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non- submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see “**Terms of the Issue**” beginning on page 171.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.bigshareonline.com after keying in their respective details along with other security control measures implemented there at. For further details, see “**Terms of the Issue – Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**” on page 182.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Letter of Offer (before and after the Issue) is set forth below:

	(Rs. in Lakhs)	
Particulars	Aggregate Value At Nominal Value	Aggregate Value At Issue Price
Authorized Share Capital		
50,00,00,000 Equity Shares of Re. 1.00/- each	5000.00	-
Issued, Subscribed And Paid Up Share Capital Before The Issue		
23,26,23,311 Equity Shares of Re. 1.00/- each	2326.23	-
Present Issue In Terms Of This Draft Letter Of Offer ⁽¹⁾		
23,26,23,311 Equity Shares of face value Re. 1.00 /- each for Cash price of Rs. 2 per Share including premium of Rs. 1 per share	2326.23	Upto 4652.47
Issued, Subscribed And Paid Up Share Capital After The Issue		
46,52,46,622 Equity Shares of Re. 1.00 /- each ⁽³⁾	4652.47	9304.93
Securities Premium Account		
Before the Issue ⁽²⁾		-
After the Issue ⁽³⁾		[●]

(1) The Issue has been authorized by the Board of Directors of our Company under Section 62(1)(a) and other applicable provisions of the Companies Act, 2013 at their meeting held on September 26, 2023. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by the Board at its meeting held on [●].

(2) As on March 31, 2023.

(3) Assuming full subscription for and Allotment of Equity Shares. Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

Notes to Capital Structure

- There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.
- Except as mentioned below, no Equity Shares have been acquired by the other Promoters or members of Promoter Group in the last (1) one year immediately preceding the date of filing of this Draft Letter of Offer:

Name of the Promoter & Promoter Group	Category of the Shareholder	Date of Acquisition	No. of Equity Shares	Mode of Acquisition
Hiralal Parekh	Promoter	14-02-2023	39816920	Bonus Shares
Mohanlal Jagdishchand (HUF)	Promoter Group	14-02-2023	3918200	Bonus Shares
Hiralal Jagdishchand	Promoter Group	14-02-2023	12555400	Bonus Shares
Lalit Kumar Lalwani	Promoter Group	14-02-2023	2359500	Bonus Shares
Shah Pradeepkumar C	Promoter Group	14-02-2023	1787500	Bonus Shares
Latadevi Hiralal Parekh	Promoter Group	14-02-2023	14334320	Bonus Shares
Shantidevi Mohanlal Parekh	Promoter Group	14-02-2023	311740	Bonus Shares
Ankit Lalwani	Promoter Group	14-02-2023	1430000	Bonus Shares
Praveen Lalwani	Promoter Group	14-02-2023	1573000	Bonus Shares
Vandani Sumanth Chowdhary	Promoter Group	14-02-2023	8780200	Bonus Shares
Nishita Shah	Promoter Group	14-02-2023	7636200	Bonus Shares

- No Equity Shares held by our Promoter or Promoter Group have been locked in, pledged or encumbered as of the date of this Draft Letter of Offer.

4) **Intention and extent of participation by our Promoters and Promoter Group**

Our Promoters and Promoter Group vide their letters dated April 03, 2024 (the “Subscription Letters”) have agreed that they may or may not: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters, member(s) of the Promoter Group of our Company; (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue; (c) subscribe to, either individually or jointly and/ or severally with any other Shareholder for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue; (d) the eligible members of our Promoter Group reserve the right to subscribe either itself and/or through third party(ies) by renouncing their Rights Entitlement in the Issue, including in an event of under-subscription in this Issue, subject to the post issue aggregate shareholding of our Promoter and members of our Promoter Group not resulting in the minimum public shareholding of the issuer falling below the level prescribed under the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. (e) Further, in accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date, the Issue shall stand withdrawal and on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date.

Any such subscription for Right Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

- 5) The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI SAST Regulations is Rs. [●].
- 6) At any given time, there shall be only one denomination of the Equity Shares of our Company.
- 7) Except as disclosed in this Draft Letter of Offer, all Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares to be allotted pursuant to the Issue, shall be fully paid up. For further details on the terms of Issue, please see section titled “*Terms of the Issue*” beginning on page 171 of the Draft Letter of Offer.
- 8) **Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI Listing Regulations:**
 - a. The shareholding pattern of our Company as on December 31, 2023, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/vinny-overseas-ltd/vinny/543670/shareholding-pattern/> and on the website of NSE at: [https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VINNY&tabIndex=equity](https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VINNY&tabIndex=equity;);
 - b. The statement showing holding of Equity Shares of the person belonging to the category “**Promoter and Promoter Group**” including details of lock- in, pledge of and encumbrance thereon, as on December 31, 2023 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=543670&qtrid=120.00&QtrName=December%202023> and on the website of NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VINNY&tabIndex=equityhttps://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern>;
 - c. The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category “**Public**” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2023 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=543670&qtrid=120.00&QtrName=December%202023> and on the website of NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VINNY&tabIndex=equity>;

- 9) **Details of the Shareholders holding more than 1% of the issued and paid-up equity share capital as on December 31, 2023 is as follows:**

Sr. No.	Name of the Shareholder	Category of the Shareholder	No. of shares held	% of no. of shares
1.	Hiralal Parekh	Promoter	70445320	30.28
2.	Latadevi Parekh	Promoter Group	25360720	10.90
3.	Hiralal Jagdishchand	Promoter Group	22213400	9.55
4.	Vandani Sumanth Chowdhary	Promoter Group	15534200	6.68
5.	Nishita Shah	Promoter Group	13510200	5.80
6.	Mohanlal Jagdishchand (HUF)	Promoter Group	6932200	2.98
7.	Lalit Kumar Lalwani	Promoter Group	4174500	1.79
8.	Shah Pradeepkumar C	Promoter Group	3162500	1.35
9.	Praveen Lalwani	Promoter Group	2783000	1.19
10.	Ankit Lalwani	Promoter Group	2530000	1.09

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses (“Net Proceeds”) towards the following objects:

1. Repayment of borrowings;
2. Purchase of Machinery and Construction in the existing manufacturing unit;
3. To meet incremental working Capital requirements; and
4. General corporate purposes

(Collectively, referred to herein as the “Objects”).

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Net Proceeds

The details of the estimated Net Proceeds are set out below:

Particulars	Amount (Rs. In Lakhs)
Gross Proceeds of the Issue *	Upto 4652.47
Less: Issue related expenses	●
Net Proceeds	 ●

* Assuming full subscription and Allotment in the Issue. Subject to finalization of the Basis of Allotment and the Allotment of the Equity Shares.

Utilization of Net Proceeds

We intent to utilize the Net Proceeds as set forth in the following table:

Particulars	Amount (Rs. In Lakhs)
Repayment of borrowings	1700.00
Purchase of Machinery and Construction in the existing manufacturing unit	1387.19
To meet incremental working capital requirements	1000.00
General Corporate Purposes #	●
Net proceeds from the Issue #	 ●

Assuming full subscription and Allotment in the Issue. Subject to finalization of the Basis of Allotment and the Allotment of the Equity Shares. While the amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall amount utilization towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

Means of Finance

The fund requirement mentioned above are based on, inter alia our, Company’s internal management estimates and have not been appraised by any bank or financial institution or any other external agency. They are based on our current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, cost of commodities and interest or exchange rate fluctuations. Consequently, our Company’s funding requirements and deployment schedules are subject to revision in the future at the discretion of our management. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is in compliance with the requirements to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Proposed Schedule of Implementation and Deployment of Net Proceeds

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

(Rs. In Lakhs)

Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the FY 2024-2025
Repayment of borrowings	1700.00	1700.00
Purchase of Machinery and Construction in the existing manufacturing unit	1387.19	1387.19
To meet incremental working capital requirements	1000.00	1000.00
General Corporate Purposes #	[•]	[•]
Total #	[•]	[•]

Assuming full subscription and Allotment in the Issue. Subject to finalization of the Basis of Allotment and the Allotment of the Equity Shares. While the amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall amount utilization towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

Our Company proposes to deploy the Net Proceeds towards the objects of the Issue during Fiscal 2025. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. If the actual utilisation towards any of the Objects is lower than the proposed deployment, then such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Details of utilization of Net Proceeds

1. Repayment of borrowings

Our Company has entered into various financing arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company includes borrowing in the form of, inter alia, Term loan, car Loan, Letter of Credit and Cash Credit amongst others. As at December 31, 2023, the total outstanding indebtedness was Rs. 2278.67 Lakhs (included secured and unsecured borrowings).

The following table provides details of outstanding borrowings availed by our Company, which we have identified to repay or prepay, in full or in part, from the Net Proceeds of the Proposed rights issue to the extent of Rs. 1700 Lakhs:

(Rs. In Lakhs)								
Sr . N o.	Name of Bank / Financial Institutions	Nature of Borrowing	Sanct ioned Date	Principa l Sanction ed Amount	Total Outstanding Amount as on December 31, 2023	ROI % (p.a.)	Purpose of Raising Loan	Pre-Payment Clause (If any)
1	HDFC Bank Ltd	Secured Loan	25/05 /2021	250.00	136.58	9.25%	Term Loan	4% on outstanding principal amount under the Facility / Loan as on date of the end of notice period
2	HDFC Bank Ltd	Secured Loan	18/09 /2021	50.00	28.84	10.66 %	Term Loan	4% on outstanding principal amount under the Facility / Loan as on date of the end of notice period.
3	HDFC Bank Ltd	Secured Loan	19/01 /2023	300.00	206.21	10.61 %	Term Loan	4% on outstanding principal amount under the Facility / Loan as on date

Sr . N o.	Name of Bank / Financial Institutions	Nature of Borrowing	Sanct ioned Date	Principa l Sanct ioned Amount	Total Outstanding Amount as on December 31, 2023	ROI % (p.a.)	Purpose of Raising Loan	Pre-Payment Clause (If any)
								of the end of notice period.
4	HDFC Bank Ltd	Secured Loan	12/12 /2019	300.00	81.68	10.70 %	Term Loan	4% on outstanding principal amount under the Facility / Loan as on date of the end of notice period.
5	HDFC Bank Ltd	Secured Loan	31/10 /2019	1160.00	860.89	9.85%	Cash Credit	Facility other than term loan: 4% of the Overall Facility Limit
6	Hiralal Jagdishchand Parekh	Unsecure d Loan	NA	NA	398.61	9.00%	Business Purpose	NA
7	Hiralal Jagdishchand HUF	Unsecure d Loan	NA	NA	28.05	9.00%	Business Purpose	NA
8	Latadevi Hiralal Parekh	Unsecure d Loan	NA	NA	155.20	9.00%	Business Purpose	NA
9	Vandani S Choudhary	Unsecure d Loan	NA	NA	20.78	9.00%	Business Purpose	NA
10	Nishita S Shah	Unsecure d Loan	NA	NA	131.76	9.00%	Business Purpose	NA
11	Mohanlal Mahavirchand Impex Pvt Ltd	Unsecure d Loan	NA	NA	75.90	9.00%	Business Purpose	NA
Total				2060.00	2124.5			

In accordance with Clause 9(A)(2)(b) of Part B-1 of Schedule VI of the SEBI ICDR Regulations, which requires a certificate from the Statutory Auditor, viz, M/s. Kishan M. Mehta & Co, Chartered Accountant. certifying the utilization of loans for the purposes availed, our Company has obtained requisite certificate (UDIN: 24013707BKG17760) dated 26-04-2024, in this regard.

2. Purchase of Machinery and Construction in the existing Manufacturing Unit

Our Company is engaged in the business of processing of fabrics for shirting, suiting and dress materials through manufacturing process of weaving, dyeing, printing and finishing. As on date of filing the Draft Letter of Offer, we have one operational manufacturing unit that is operated by us and is located at Ahmedabad, Gujarat. For details on our manufacturing unit, please refer to “Our Manufacturing Infrastructure” on page no. 68 of the Draft Letter of Offer.

Our Company proposes to deploy an amount of Rs. 1387.19 Lakhs from the Net Proceeds towards purchase of machinery and construction for our existing manufacturing unit and as approved by the Board at its meeting held on 22-04-2024. Keeping in the growing demand for fabrics, our Company proposes to add machines to the existing line of production. We believe our that by adding more line of production, our Company existing installed capacity being 4,20,00,000 MPA as on December 31, 2023, thereby increasing the production of our existing products and proposed products which will further lead to increase in our sales and revenue from operations. For details on our existing capacity utilization, see “Our Business – Capacity and Capacity Utilization” on page 72 of the Draft Letter of Offer.

Our Company has identified the machinery to be purchased and obtained quotations from respective vendors / suppliers and is yet to place any orders or enter into definitive agreements for purchase of such machinery. The amount to be

spent and machinery to be procured by our Company will depend upon business requirements and technology advancement. The details and total estimated cost towards purchasing machinery is as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	Purpose of usage	Vendor/ Supplier	Quantity	Estimated Cost #	Amount to be funded from the Net Proceed FY 2024-25
1.	Rotary Screen-Printing Machine	Continuous method of printing through a roll in which a perforated cylindrical screen applies a colorant made from either pigment or dye.	Stovec Industries Limited	1	265.50	265.50
2.	Coal Fired Steam Boiler	To heat water and provide steam for industrial production and processing	Rajdeep Boiler Pvt Ltd	1	178.18	178.18
3.	Turbine, Dual Valve, Steam Flow Meter Vertex Type and Erection & Commissioning charges	Attached with boiler to generate electricity from steam produced by boiler	NCON Turbo Tech Pvt Ltd	1	85.43	85.43
4.	Hot Air Stenter Machine	For Finishing purpose	Yamuna Machine Works Ltd	1	118.00	118.00
5.	Flat Bed Screen Printing Machine (8 Colour Heads)	Printing machine which is used to transfer ink onto a flat substrate surface	Screenotex Engineers Pvt Ltd	1	129.80	129.80
6.	Flat Bed Screen Printing Machine (10 Colour Heads)	Printing machine which is used to transfer ink onto a flat substrate surface	Screenotex Engineers Pvt Ltd	1	147.50	147.50
7.	Laser Stripping Machine	Design Making Machine	Krossmark Innovations	1	76.11	76.11
	Smart Laser – UV Laser Engraver			1	32.45	32.45
Total					1032.97	1032.97

#inclusive of GST@18.00%

1. Based on the quotation provided by the vendor and is valid for 90 days from the date of 27.02.2024.
2. Based on the quotation provided by the vendor and is valid for 180 days from the date of 23-02-2024.
3. Based on the quotation provided by the vendor and is valid for 180 days from the date of 29.02.2024.
4. Based on the quotation provided by the vendor and is valid for 180 days from the date of 24.01.2024.
5. Based on the quotation provided by the vendor and is valid for 180 days from the date of 26.02.2024.
6. Based on the quotation provided by the vendor and is valid for 180 days from the date of 26.02.2024.
7. Based on the quotation provided by the vendor and is valid for 90 days from the date of 27.02.2024.

Construction in the existing Manufacturing Unit

(Rs. In lakhs)

Sr. No.	Particulars	Purpose of usage	Estimated Cost
1.	Providing & Installation of ST Steel	For RCC Construction	193.18
2.	Providing & fixing of Deck Sheets		27.27
3.	Providing & laying RMC Slab Casting		17.34
4.	Providing & Laying TMT		10.20
5.	Dismantling of old ST Steel		7.50
6.	Providing & fixing of Rain Water Gutter		4.19
7.	Providing & fixing of Anchor Bolt		0.94
8.	Floring with Black Fillings & Trimix Floor		39.56
Total (inclusive GST @18%)			354.21

Total estimated cost based on the Invoice provided by Srushti Engineers vide its Proforma invoice dated 01-02-2024

We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity of the machinery and material to be purchased is based on the estimates of our management. Our Company shall have the

flexibility to deploy the machinery according to the business requirements which are dynamic, which may evolve with the passage of time and based on the estimates of our management.

Above quotations are very short duration quotation and are used only for the purpose of price estimation. The above prices are subject to change without any notice and final applicable prices will be as per prevailing prices at the time of invoicing of machinery. No second-hand plant and machinery is proposed to be purchased out of the Net Proceeds.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above. If the Net Proceeds are insufficient to the extent required for purchase of plant and machinery and/or other any material required for setting up the manufacturing unit, such excessive amount shall be met from our internal accruals and/ or from borrowing from banks/ financial institutions.

3. To meet incremental working capital requirements

Our Company proposes to utilise Rs. 1000.00 lakhs from the Net Proceeds to fund our working capital requirements. We have to provide credit period to our customers in order to maintain steady flow of orders. Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from various banks and financial institutions.

Basis of estimation of incremental working capital requirement:

(Rs. In Lakhs)			
Particulars	Fiscal Year Ended 31-Mar-2021	Fiscal Year ended 31-Mar-2022	Fiscal Year ended 31-Mar-2023
Current Assets			
Inventories	2964.42	840.10	977.18
Trade Receivables	2750.34	1899	2194.53
Short Term Loans & Advances and Deposits	3.89	6.78	101.06
Cash & Bank Balances	5.09	5.51	5.75
Other Current Assets	632.72	912.67	796.33
Total Current Assets (A)	6356.46	3664.06	4074.85
Current Liabilities			
Trade Payables	2752.77	1548.79	1630.62
Other Current Liabilities	417.85	353.05	541.08
Short Term Provisions	20.74	21.48	34.70
Total Current Liabilities (B)	3091.36	1923.32	2206.40
Working Capital Gap (A)-(B)	3165.10	1740.74	1868.45
Less: Existing Bank Borrowings	728.76	474.49	558.82
Net Working Capital Requirement	2436.34	1266.25	1309.63
Funding Pattern of Working Capital Gap			
Working Capital Facilities from Bank	728.76	474.49	558.82
Internal Accruals / Owned Funds and / or Borrowings	2436.34	1266.25	1309.63

Holding Period	For the Year ended 31 March 2021 (Number of Days)	For the Year ended 31 March 2022 (Number of Days)	For the Year ended 31 March 2023 (Number of Days)
Current Assets			
Inventories	78	28	33
Trade Receivables	73	63	75
Current Liabilities			
Trade Payables	72	51	56

As certified by M/s. Kishan M Mehta, Chartered Accountants, by way of their certificate (UDIN: 24013707BKGH1865) dated 26-04-2024.

On the basis of our existing working capital requirements and the projected working capital requirements our Board pursuant to its resolution dated 22-04-2024 has approved the working capital requirements of our Company, details of which are provided below:

(Rs. In Lakhs)

Particulars	Fiscal Year ended 31-Mar-2024	Fiscal Year ended 31-Mar-2025
	Estimated	Projected
Current Assets		
Inventories	1041.12	1197.29
Trade Receivables	1656.08	1904.49
Short Term Loans	257.26	260.00
Cash & Bank Balances	25.27	27.80
Other Current Assets	554.42	609.86
Total Current Assets (A)	3534.16	3999.44
Current Liabilities		
Trade Payables	1594.09	1833.20
Other Current Liabilities	908.97	185.05
Short Term Provisions	38.70	42.96
Total Current Liabilities (B)	2541.76	2061.21
Working Capital Gap (A)-(B)	992.40	1938.23
Less: Existing Bank Borrowings	536.89	0.00
Net Working Capital Requirement	455.51	1938.23
Funding Pattern		
Working Capital Facilities from Bank	536.89	0
Internal Accruals / Owned Funds	455.51	938.23
Proposed Working Capital to be funded from Rights Issue	0	1000.00

Holding Period	For the Year ended 31 March 2024 (Number of Days)	For the Year ended 31 March 2025 (Number of Days)
Current Assets		
Inventories	34	34
Trade Receivables	54	54
Current Liabilities		
Trade Payables	52	23

As certified by M/s. Kishan M Mehta, Chartered Accountants, by way of their certificate (UDIN: 24013707BKGH1865) dated 26-04-2024.

Our Company proposes to utilize 1000.00 Lakhs from the Net Proceeds towards funding the working capital requirements of the Company.

The table below contains the details of the holding levels and justifications for holding period levels on the basis of audited standalone financial statements of our Company and the assumptions based on which the working plan projects has been made and approved by our Board of Directors is as under:

Key assumptions for working capital projections made by our Company:

Sr. No.	Particulars	Assumptions
Current Assets		
1	Revenue	Seeing the growth of revenue by 9.40 during fiscal year 2024 from revenue in fiscal year 2023 at Rs 10641 lakhs to Rs 11281 lakhs in fiscal year 2024 and considering the proposed increase in fixed asset by Rs 1387 lakhs during fiscal year 2025, company expect increase in turnover by 15% at Rs. 12973 lakhs during fiscal year 2025 over the actual turnover of fiscal year 2024.
2	Inventories	In fiscal year 2024 our inventory days were 34 and we estimate the same 34 days of inventory for fiscal year 2025.
3	Trade receivables	In fiscal year 2024 our receivables days were 54 and we estimate the same 54 days of receivables for fiscal year 2025.
4	Short term Loans & Advances	We do not expect major change in Short term Loans & Advances during fiscal year 2025.
5	Cash And Bank Balances	Cash And Bank Balances as on 31-3-25 are estimated to increase by 10% over the estimates as on 31-3-24.
6	Other Current Assets	Considering the growth in revenue by 15% in fiscal year 2025, as all the other current assets shall not be wholly variable in proportion to revenue growth during

Sr. No.	Particulars	Assumptions
		fiscal year 2025, therefore we estimate other Current Assets as on 31-3-25 to increase by 10% over the estimates as on 31-3-24.
Current Liabilities		
7	Trade payables	Considering the growth in revenue and activity by 15% during the year the estimate of trade payable would increase by 15 % as such and thereby increasing the trade payable over the actuals of 31.03.2024 by 15% on an average basis the estimated trade payable comes to 1833.20 lakhs. The projections of working capital are to be made as on 31.03.2025 which as proposed in right issue as one of the purposes to reduce trade payable by 1000 lakhs and thereby the trade payable after paying such amount after right issue shall reduce by 1000 lakhs but as aforesaid projections of working capital require separate mention of utilization of right issue money separately therefore the figure of trade payable estimation in above working capital projections are shown as 1833.20 lakhs and sum of Rs. 1000 lakhs to be paid off to creditors after right issue is disclosed separately in above projections although the net trade payables as on 31-03-2025 are estimated at Rs. 833.20 lakhs.
8	Other current liabilities	Considering the growth in revenue by 15% in fiscal year 2025, as all the other current liability shall not be wholly variable in proportion to revenue growth during fiscal year 2025 therefore we estimate other Current liabilities as on 31-3-25 to increase by 10% over the estimates as on 31-3-24 which excludes sum of Rs.740.74 lakhs of current liability/loans to be repaid out of net proceeds of the right issue and therefore on balance sum of Rs. 168.23 is increased by 10%.
9	Short Term Provisions	Short Term Provisions as on 31-3-25 which pertains to employees emoluments are expected to increase by 11% over the estimates as on 31-3-24.

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned object of the Issue, as per the estimated schedule of utilisation specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the aforementioned object, in accordance with applicable law.

4. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to Rs. [●] Lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives;
- funding growth opportunities;
- meeting ongoing general corporate contingencies;
- meeting fund requirements of our Company, in the ordinary course of its business; and
- any other purpose, as may be approved by the Board, subject to compliance with the necessary regulatory provisions and applicable law.

Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the subsequent Financial Years.

5. Issue Related Expenses

The expenses for this Issue include issue management fees, registrar fees, legal advisor fees, monitoring agency fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] Lakhs.

Particulars	Estimates expenses (Rs. In Lakhs)	As a % of total estimated Issue related expenses	As a % of Issue size * #
Fees of Lead Manager, Monitoring agency, Banker to the Issue, Registrar to the Issue, Legal Advisor, Auditor's Fees, etc. including out of pocket expenses	[●]	[●]	[●]

Particulars	Estimates expenses (Rs. In Lakhs)	As a % of total estimated Issue related expenses	As a % of Issue size * #
Advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses *^	[●]	[●]	[●]

*Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.

* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.

^Excluding taxes

#Assuming full subscription

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily keep the Net Proceeds in deposits in one or more scheduled commercial banks (as included in the second schedule to the Reserve Bank of India Act, 1934) or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by the SEBI.

In accordance with Section 27 of the Companies Act, 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.

Monitoring of Utilization of Funds

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

Appraising Agency

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency, in accordance with applicable law.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Key Industry Regulations for the Objects of the Issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

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

STATEMENT OF TAX BENEFIT

To,
The Board of Directors Vinny Overseas Limited
**B/H International Hotel, Narol - Isanpur Road Narol,
Ahmedabad, Gujarat, 38240**

Dear Sir,

Re: Proposed Rights Issue of Equity Shares (the "Equity Shares" and such offering, the "Issue") of Vinny Overseas Limited (the "Company") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the 'Act').

We report that the enclosed statement in the **Annexure**, states the possible special tax benefits under direct tax laws i.e. Income tax Act, 1962 including amendments made by the Finance Act 2022 (hereinafter referred to as "**Income Tax Laws**"), and indirect tax law i.e. the Central Goods and Services Tax Act, 2017, (herein referred to as Goods & Services Tax Law) Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017. available to the Company and its shareholders. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.'

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI). We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in the enclosed Annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his/her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

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

- i. the Company or its shareholders will continue to obtain these benefits in future; or
- ii. the conditions prescribed for availing the benefits have been/would be met with.

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

We hereby give consent to include this statement of special tax benefits in the Offer Document and in any other material used in connection with the Issue.

This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer Documents and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, recognized stock exchange, any other authority as may be required and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the offer documents.

This certificate may be relied on by the Company, Lead Manager, their affiliates and the legal counsel in relation to the Issue.

For **Kishan M. Mehta & Co.** Chartered Accountants

Firm Registration Number: 105229W

(K.M. Mehta)

Partner

M. No. 13707

Place: Ahmedabad

Date: 23rd March 2024

UDIN: 24013707BKFKGD6929

ANNEXURE

I. Statement of Special Tax Benefits available to VINNY OVERSEAS LIMITED (The "Company") and its shareholders

1. Special tax benefits available to the Company and its shareholders under the Income Tax Law

- a. The company is eligible for the deduction under section 80IA(4)(iv) of Income Tax law for 100% income from generation of power from Wind Mill up to financial year 2023-2024, the year of completion of entitlement of such benefit for period of 10 years starting from financial year 2014-15.
- b. There are no special tax benefits available to shareholders.

2. Special tax benefits available to the company and its shareholders under Goods & Services Tax Law

There are no special tax benefits available to the Company and its shareholders.

Notes:

- a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2024-25.
- d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his /her investment in the shares of the Company.
- e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

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 changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Introduction

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

Economic outlook

Global Economy

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine remains slow and Uneven Economic activity still falls short of its pandemic path, especially in emerging market and there are widening divergences among regions. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, the war in Ukraine, World Economic Outlook (WEO), Global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, well below the historical (2000–19) average of 3.8 percent. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

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

Indian Economy

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices in the second quarter of 2022–23 is estimated at US\$ 1.94 trillion (Rs. 160.06 trillion), showing a growth of 7.2% as compared to the First Revised Estimates of GDP for the year 2021-22 of US\$ 1.81 trillion (Rs. 149.26 trillion), indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030. Moreover, India ranked 3rd in the renewable energy country attractive index. In FY22, India's service exports stood at US\$ 254.4 billion. Furthermore, India's overall exports (services and merchandise) was estimated at US\$ 770.18 billion in FY23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months

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

Market Overview

Global Textile Market Overview

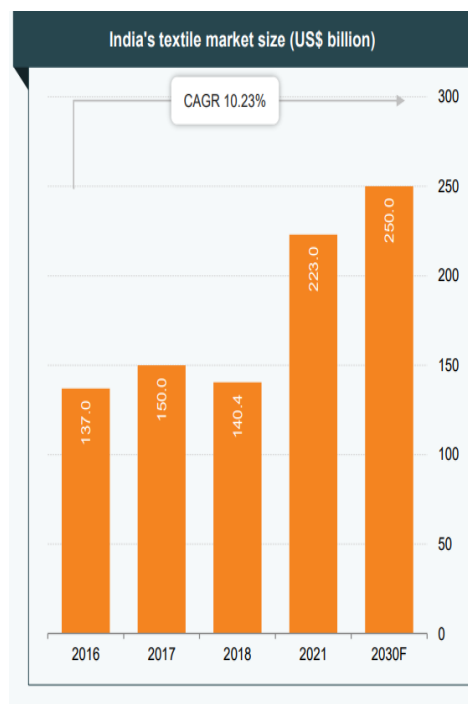
The global textile market size reached US\$ 985 Billion in 2022. Looking forward, IMARC Group expects the market to reach US\$ 1,268 Billion by 2028, exhibiting a growth rate (CAGR) of 4.2% during 2023-2028. The changing consumer preferences, rapid population growth, rising preferences for ecofriendly, organic, and functional textiles, technological advancements, and government regulations and initiatives are some of the major factors propelling the market.

(Source: <https://www.imarcgroup.com/textile-market>)

Indian Textile Market Overview

Market Overview

- 1) The size of India's textile market stood at US\$ 223 billion in 2021, growing at a CAGR of 10.23% from 2016.
- 2) The Indian textiles market is expected to be worth >US\$ 209 billion by 2029.
- 3) India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. ■
- 4) Mr. Piyush Goyal discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.
- 5) In December 2022, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Mr. Piyush Goyal, advocated that India should take its textile exports to US\$ 100 billion by 2030.
- 6) In September 2021, the government approved a Rs. 10,683 crore (US\$ 1.44 billion) production-linked incentive (PLI) scheme for the textiles sector. This will benefit the textile manufacturers registered in India
- 7) Incentives under the scheme will be available for five years from 2025-26 to 2029-30 on incremental turnover achieved from 2024- 25 to 2028-29. The scheme proposes to incentivise MMF (manmade fibre) apparel, MMF fabrics and 10 segments of technical textiles products.



(Source: https://www.ibef.org/download/1700035890_Textiles_and_Apparel_August_2023.pdf)

Textile Industry Market Segmentation

1) Cotton dominates the textile market

Cotton is the major segment in yarn and fabric. Cotton, a widely used natural fiber, remains a dominant force in the market. It exhibits breathability, comfort, and versatility, which makes it a popular choice for clothing manufacturers and consumers. Also, cotton remains the dominate fiber for manufacturing the majority of household textile product categories. Thus, the growing tendency of house renovation and home furnishing shopping has positively influenced the sales of cotton textiles. Worldwide.

Chemicals, including dyes, finishes, and coatings, are essential components in textile manufacturing. They enable coloration, protection, and functional enhancements of fabrics. The development of eco-friendly and sustainable chemical alternatives drives market growth as manufacturers and consumers prioritize environment-friendly practices.

Wool is a natural animal fiber with unique properties, such as warmth, durability and natural elasticity, make it desirable for high-quality garments and luxury textiles.

Moreover, the wool textile segment has undergone diverse technological advancements in terms of knitting and improved textures and fabric quality. This has motivated a new wave of aesthetic appreciation for woolen textile globally.

Breakup by Product: Natural Fibers, Polyesters, Nylon, Others

Natural fibers, such as cotton, wool, and silk, play a crucial role in driving the textile market. These fibers offer a range of desirable qualities, including breathability, comfort, and biodegradability. Natural fibers cater to the growing demand for sustainable and eco-friendly textiles. Consumers increasingly prefer products made from natural fibers due to their perceived environmental benefits and superior comfort.

Polyester, a synthetic fiber, offers excellent durability, wrinkle resistance, and moisture-wicking properties. Its low cost and versatility have made it a popular choice for a wide range of applications, from apparel to home textiles. The demand for polyester is driven by its affordability, ease of care, and ability to mimic natural fibers. Additionally, advancements in polyester manufacturing, such as recycled polyester, address sustainability concerns and contribute to the market growth.

Nylon, another synthetic fiber, also has a significant impact on the textile market. Nylon offers excellent strength, abrasion resistance, and elasticity. It is commonly used in various applications, including activewear, hosiery, and industrial textiles. The demand for nylon is driven by its exceptional performance characteristics, making it suitable for high-stress applications. Additionally, innovations in nylon production, such as bio-based or recycled nylon, align with sustainability goals is creating a positive market outlook.

2) Fashion and clothing is the largest application segment

The demand for fashion and clothing sector textile is escalating due to the backdrop of increased consumer buying behavior and spending power in many countries across the world. Many people are following the trend of purchasing clothes as per the changing fashion, thereby aiding the development of new clothing frequently. The rising influence of social media, such as Instagram and Facebook, in apparel marketing is emerging rapidly as these platforms have replaced traditional media like television through which consumers used to discover new fashion. Moreover, several brands are incorporating different digital-savvy strategies to successfully compete in the market. Moreover, new marketing strategies such as celebrity promotions of clothing lines, customization options by big brands, inclination towards eco-friendly clothing production, etc. are also anticipated to proliferate the global textile market in the clothing segment.

3) Breakup by Region

Market based on the region. This includes North America (the United States and Canada), Asia Pacific (China, India, Japan, Australia, South Korea, Indonesia and others), Europe (Germany, France, the United Kingdom, Italy, Spain, Russia and others), Latin America (Brazil, Mexico and others), Middle East and Africa. According to the report, Asia Pacific was the largest market for textiles.

The demand for different textiles has gained tremendous traction among Asian countries as it is the main hub for the textile sector and is the leading region in textile yarn manufacture. The rising adoption of technical textiles from various end-use industries such as healthcare, automotive, construction and manufacturing, mining, etc. can be accredited as the primary factor responsible for the industry growth. Moreover, the advent of digitalization among the

Potential consumers has surged the need for adoption of omni channel approach by the vendors. In Asia Pacific region, various investment promotion schemes have been introduced by the governments to support the development of textile sector. For instance, Chinese government offered subsidies to textile manufacturers and “Going Out” strategy for textile industry in its 12th five-year plan.

(Source: <https://www.imarcgroup.com/textile-market>)

Growth Drivers

1) Robust Demand

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

2) Competitive Advantage

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

3) Policy Support

- a. 100 % FDI (automatic route) is allowed in the Indian textile sector.
- b. Under Union Budget 2023 -24, the total allocation for the textile sector was Rs. 4, 389 .24 crore (US \$ 536. 4 million)
- c. In October 2021, the government approved a PLI scheme worth Rs. 4, 445 crore (US \$ 594.26 million) to establish seven integrated mega textile parks and boost textile manufacturing in the country.

- d. In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75, 000 beneficiaries has been allocated. 1, 83, 844 beneficiaries trained across 1, 880 centres under Samarth.

4) Increasing Investments

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

(Source: https://www.ibef.org/download/1700035890_Textiles_and_Apparel_August_2023.pdf)

Competitive Landscape

Several textile companies are implementing sustainable sourcing methods, adopting organic and recycled materials, and reducing their carbon footprint in production processes. Additionally, they are investing in research and development to create innovative textiles with enhanced functionalities, such as smart fabrics and performance materials. These advancements cater to the changing needs and preferences of consumers, thus driving market growth. Apart from this, textile companies are forming strategic alliances with fashion designers, retailers, and even technology companies to create unique and trendsetting products. These collaborations help drive consumer interest and stimulate market demand. Furthermore, efforts to improve supply chain transparency, ethical sourcing, and fair labor practices are gaining momentum. Companies are increasingly emphasizing responsible manufacturing processes, ensuring fair wages and safe working conditions. Such initiatives enhance the reputation of the industry and contribute to market growth by attracting conscious consumers who value ethical practices.

Some of the key players in the market include:Aditya Birla Ltd, Arvind Limited, Asahi Kasei Corporation, BSL Limited, China Petroleum & Chemical Corporation, DuPont de Nemours Inc., Honeywell International Inc.

(Source: <https://www.imarcgroup.com/textile-market>)

Investment and Key Development

The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 4.31 billion from April 2000-June 2023. The textile sector has witnessed a spurt in investment during the last five years.

- In September 2023, the Khadi and Village Industries Commission signed 3 MoUs to promote Khadi Products.
- In September 2023, Grasim Industries plans to open nearly 120 retail stores over the upcoming 2 years, by expanding its footprint in smaller cities and towns.
- In September 2023, Reliance Retail Ventures Ltd. (RRVL) announced the acquisition of Ed-a-Mamma for a 51% stake.
- In September 2023, Shadowfax inaugurated a 1.5 lakh sq. ft. fulfilment centre in Surat with 10 lakh orders per day processing capacity.
- In August 2023, the Ministry of Textiles approved 26 engineering institutions for the introduction of Technical Textiles under the National Technical Textiles Mission.
- In July 2023, PM MITRA Park, Amravati expected to attract investment of Rs. 10,000 crore (US\$ 1.20 billion) and create employment for 300,000 individuals.
- In May 2023, an investment of around Rs. 6,850 crore (US\$ 824.25 million) is expected in the PM MITRA Park in Madhya Pradesh and Rs. 8,675 crore (US\$1.04 billion) in other parts of the state.
- In May 2023, Aditya Birla Fashion and Retail Ltd. announced the acquisition of TCNS Clothing with a deal size of US\$ 198.54 million.
- India is expected to host the 81st Plenary Meeting of the International Cotton Advisory Committee (ICAC) from 2nd to 5th December 2023 in Mumbai with the theme “Cotton Value Chain- Local Innovations for Global Prosperity”.
- In April 2023, Godrej Consumer Products Ltd (GCPL) announced the Rs. 2,825 crore (US\$ 339.93 million) acquisition of Raymond Consumer Care Ltd (RCCL).
- In April 2022, Indo Count Industries bagged the home textile business of GHCL for US\$ 74.14 million.

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

Government Initiatives

The Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route.

- Mr. Piyush Goyal also discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.
- In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75,000 beneficiaries has been allocated.
- 1,83,844 beneficiaries trained across 1,880 centres under Samarth.
- In June 2023, the Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in the textile sector.
- In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crore (US\$ 54.99 million) for National Technical Textiles Mission, and Rs. 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.
- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.
- In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.

(Source: <https://www.imarcgroup.com/textile-market>)

Road ahead

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, healthcare, etc.

(Source: <https://www.imarcgroup.com/textile-market>)

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 Letter of Offer, including the information contained in the section titled 'Risk Factors', beginning on page no. 20 of this Draft Letter of Offer.

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 titled 'Risk Factors' and the chapters titled 'Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no. 20, 86 and 147 respectively, of this Draft Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Letter of Offer, all references to "we", "us", "our" and "our Company" are to Vinny Overseas Limited as the case may be.

OVERVIEW

Our Company was originally incorporated as Vinny Overseas Private Limited on May 29, 1992 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat. Subsequently, the name of the company was changed from "Vinny Overseas Private Limited" to "Vinny Overseas Limited" under The Companies Act, 2013 and had obtained fresh certificate of incorporation dated March 02, 2017 issued by the Registrar of Companies, Ahmedabad. Our Company was listed on Emerge Platform of National Stock Exchange of India Limited on October 11, 2018, vide listing and trading approval from National Stock Exchange of India Limited dated October 10, 2018, Further, our Company migrated to main board of National Stock Exchange of India Limited vide listing and trading approval dated November 24, 2022 and of Bombay Stock Exchange Limited vide listing and trading approval dated November 25, 2022. The Corporate Identification Number is L51909GJ1992PLC017742.

We are engaged in the processing of fabrics for shirting, suiting and dress materials through manufacturing process of weaving, dyeing, printing and finishing. Our company obtains grey fabric from the domestic market and dyes it to the client's specifications based on quality of the fabric, size and other factors. Our Company is also engaged in Job-Work for wholesale cloth merchants and also trade in grey cloth as per the order received from the customer.

Our products offering can be largely classified into Shirting Fabrics, Shooting Fabrics, Polyester Fabrics, Dress Materials and Cotton Fabrics. Our operations and facilities enable us to provide a number of textile products / processes for our customers.

Established in 1992, with over two decades of experience in the textile industry, we cater both domestic and international clients. Our company focuses primarily on fabric quality by utilising plant and machinery equipped with the necessary technologies, supplying excellent textiles at affordable costs, and preserving long-term relationships with our clients.

Our promoter Mr. Hiralal Parekh has over three decades of expertise in the textile industry. The promoter of our company oversees the day-to-day operations and actively participates in decision-making processes aimed at revamping the entire operations, including processing, marketing, finance, and other commercial activities pertinent to our business.

We have an in-house Testing and Quality Control ("QC") Team which undertakes testing and quality management. Our testing and QC team coupled with our testing equipments ensure the quality of raw material dispensed in the process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

All our products are manufactured in-house at our manufacturing unit located in Ahmedabad, which enables us to have an effective control over the manufacturing process and to ensure consistent quality of our products. For details, please refer to "Our Manufacturing Infrastructure" on page 68 of the Draft Letter of Offer.

Our Company has also set up a wind power project of 1.650 MW capacity at village Vandhiya, Taluka-Bhachau, District Kutch using wind turbine generators in Gujarat. The basic purpose of installing this power project was to meet the heating and power requirement of the process plant. Our Company has executed an agreement with Torrent Power Ltd. ("TPL") Dated April 12, 2010 whereas TPL has agreed to wheel the electricity generated by our Company for captive use from TPL receiving point to our processing plant and TPL shall purchase the surplus energy i.e. total energy generated by our Company minus the energy consumed by our Company at the rate as approved by Gujarat Electricity Regulatory Commission.

Financial Performance of our Company

(Rs. in lakhs, except for percentage)

Particulars	As at 31-12-2023 [^]	As at		
		31-March-2023*	31-March-2022*	31-March-2021*
Revenue from Operations ⁽¹⁾	8,713.82	10,631.56	10,991.44	13,793.78
Total Income	8,734.41	10,662.22	11,010.98	13,818.14
EBITDA ⁽²⁾	792.61	852.15	(174.11)	484.56
EBITDA margin (%) ⁽³⁾	9.096%	8.015%	(1.584%)	3.512%
PAT	313.69	235.26	(444.78)	36.46
PAT margin (%) ⁽⁴⁾	3.60%	2.212%	-4.046	0.264%

[^]As per unaudited Financial Results submitted to the Stock Exchange.

*As per the Restated Financial Statements.

Notes:

⁽¹⁾ Revenue from operation means revenue from sales.

⁽²⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses

⁽³⁾ EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

⁽⁴⁾ PAT Margin is calculated as PAT for the period/year divided by revenue from operations

OUR STRENGTHS

Experienced promoter and management team

The Promoter of our Company, Mr. Hiralal Parekh has significant industry experience and has been instrumental in the consistent growth of our Company's performance. For further details regarding the experience and qualifications of our management team please see "Our Management" on page 76 of the Draft Letter of Offer. We believe that the knowledge and experience of our promoter and management will enable us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhance the growth in the business.

Diversified Range of Products

Our Company deals in a range of products like Shirting Fabrics, Shooting Fabrics, Polyester Fabrics, Dress Materials and Cotton Fabrics. This wide range of products has given us immense opportunity to expand and explore new markets. Our Company has presence in domestic as well as overseas markets. Our overseas supplies are primarily distributed among United Arab Emirates (U.A.E.) and Sri Lanka.

Scalable Business Model

Our business model is order driven, and comprises of optimum utilization of our resources and thereby enabling us to achieve consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the development of new markets both international and domestic, by adopting aggressive marketing of the products, innovation in the product range and by maintaining the consistent quality of the product.

Locational Advantage

Our manufacturing facility is located in Narol Road, Ahmedabad which is strategically located and is well connected by rail, roads and air with the rest of the country. The Unit is located within the limits of Ahmedabad Municipal Corporation and is 17 km from Ahmedabad International Airport. The plant of the Company is located near to the National Highway No. 8 connecting Northern & Western India.

The major raw materials i.e., Grey Fabric and Colours & Chemicals are easily available from the manufacturers located in Gujarat and Maharashtra. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Ahmedabad has been the hub of Textile Industry in Gujarat. Skilled and semi-skilled workers are easily available in Gujarat in view of the wide spread Textile industry located in the Western Region for over a Century. Thus, the location of the site is advantageous to the company in procurement of Raw materials as well as the Finished Products.

In-house Product designing

Designing is an important element in the production of fabrics. The ability to produce innovative designs is one of our major strengths and improves our competitiveness in the market. Our in-house designing team focuses on providing value-added products design by understanding the current fashion trends thus helping us in procuring new as well as repeat orders. The design and sampling team continuously interacts with the clients to understand their requirements and provides the designs based on their requirements.

Strong Customer Base

We have over two decades of experience in the textile industry and have developed long standing relations with our overseas and domestic customers. For the nine months period ended December 31, 2023, our total clientele consisted of more than 300 customers. We enjoy the confidence of customers because of our ability to offer in-house designs and samples, timely responsiveness, and capacity to cater to various order sizes.

OUR STRATEGY

Focus on consistently meeting quality standards

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer and end user point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationships with them.

Market diversification and expansion

Our Company's products are sold both in the domestic and foreign markets. In terms of sub-geographic penetration and product/market diversification, the domestic market also provides potential. As part of its plan to limit market risk and broaden growth potential, our Company will strive to expand its marketing reach domestically in order to investigate hitherto unexplored areas and sectors. To expand its geographical reach, our Company will continue to investigate prospects in many nations where it can provide value-added goods.

Developing Our Brand

Our strategy goal is to grow our brand's visibility in existing areas while also placing our brand in future markets that we want to enter. We plan to enhance our economies of scale as a result, so that we can design a brand extension strategy that will assist us in increasing our export market share, company growth, and profitability.

Furthermore, we will employ an acceptable price strategy to entice both existing and new customers to purchase our branded items. We aim to invest in creating and improving our brand image through brand development activities, communication and promotional initiatives such as media ads, participation in industry events and exhibits, and so on. This is a constant process that will improve the brand image, resulting in increased sales and profitability.

Operational improvisation

We continue to invest in improvement of operational performance throughout the organization. We are addressing these through continuous process improvement, customer service and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

Continue to prioritise cost-cutting measures in order to boost profitability and market share.

We ought to focus on lowering our operating expenses, which we feel is crucial for maintaining profitable, by implementing cost-cutting initiatives and enhancing operational efficiency. We want to invest consistently in new infrastructure at our manufacturing sites and are looking at ways to gain synergies in our current plants. To enhance our market share, we want to acquire existing firms whose operations, resources, and skills complement and/or compliment ours.

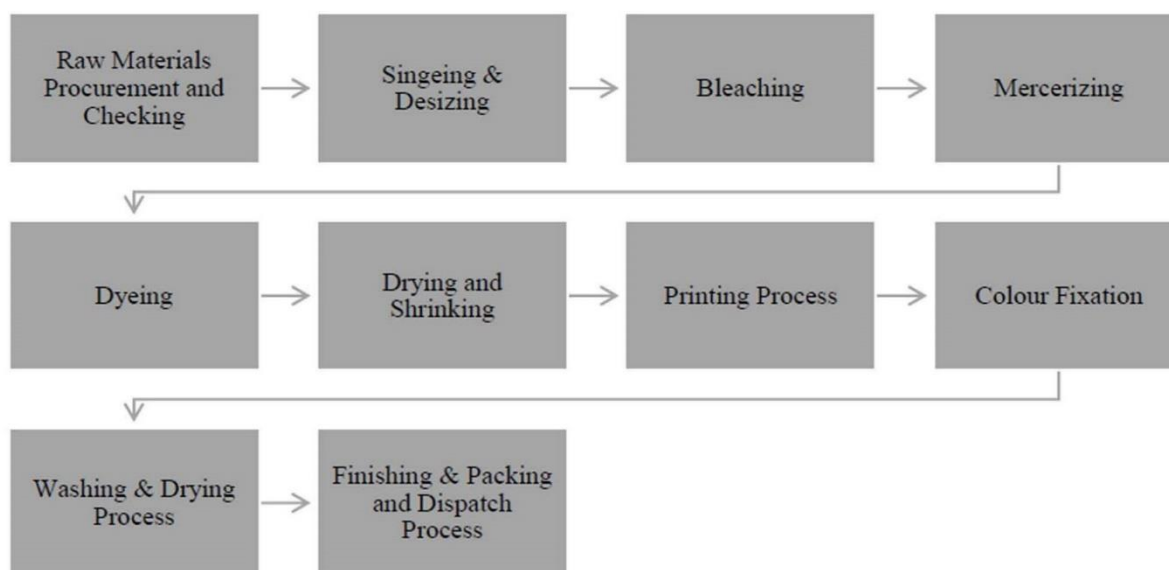
Details on our business process:

1. Raw Materials Procurement and Checking

Our business process starts with the procurement of Raw Materials for further processing which includes procurement of Grey Cloth such as Cotton cloth, Synthetic cloth, Colors, dyes and different types of chemicals

i.e Caustic Soda Flakes, Soda Ash, Soda Bi Carb, Hydrogen Peroxide etc. from the market which is ordered as per the requirements of the company depending on the type of products to manufacture. Grey Cloth are majorly procured from Maharashtra and Tamil Nadu and other raw material are sourced from the local suppliers on need basis.

Materials are received in different forms i.e. either in bale packing or roll packing which are analyzed and checked for satisfying the quality and quantity of raw material. Raw materials procurement is done also in job works which is supplied by the different customers for further processing on job work basis, so according to the requirements of job work supporting material also procured.



2. Singeing & Desizing

Singeing is a process in which all sorts of surface fibers are removed. All the grey cloth requires Singeing and Scouring before being sent for further processing.

Once the Singeing Process is done, the fabric is passed through Desizing Machine, wherein it is subjected to desizing with the help of Chemicals. Further the cloth is washed with the help of hot water and scouring chemicals through which most of the sizes and other natural as well as added impurities are eliminated.

Further, in order to make the fabric fit for further process, the fabric is impregnated with enzyme solution to remove chemicals used during sizing process.

3. Bleaching

Bleaching is chemical treatment employed for the removal of natural colouring matter from the substrate of the grey fabric. The source of natural colour is organic compounds with conjugated double bonds, by doing chemical bleaching the discoloration/oxidation takes place by the breaking the chromosphere, most likely destroying the one or more double bonds with in this conjugated system. The material appears whiter after the bleaching.

Fibres are off-white in colour due to colour bodies present in the fibre. The degree of off-whiteness varies from batch-to-batch. Bleaching therefore can be defined as the destruction of these colour bodies. White is also an important market colour so the whitest white has commercial value. Yellow is a component of derived shades. A consistent white base fabric has real value when dyeing light to medium shades because it is much easier to reproduce shade matches on a consistent white background than on one that varies in amount of yellow.

Bleaching may be the only preparatory process or it may be used in conjunction with other treatments, e.g. desizing, scouring and mercerizing. The combination of such treatments for an individual situation will depend on the rigorousness of the preparation standard and economic factors within the various options.

Other chemicals will be used in addition to the bleaching agent. These serve various functions such as to activate the bleaching system, to stabilize or control the rate of activation, to give wetting and detergent action, or to sequester metallic impurities. This Section gives consideration to the selection of bleaching agents and to the role of the various chemicals used in conjunction.

The purpose of bleaching is to remove coloured impurities from the fibre and increase the whiteness level of fabric. This all process of bleaching is done by way of Jigger machine installed in the factory

4. Mercerizing

In this process an Impregnation of the material in relaxed state, cold caustic solution of required strength and wet ability, stretching while the material is still impregnated in the caustic solution. Washing off the caustic soda from the material while keeping the material still in the stretch state.

A treatment of cotton fabric or synthetic fabric to increase its luster and affinity for dyes. The material is immersed under tension in a cold sodium hydroxide (caustic soda) solution in warp or skein form or in the piece, and is later neutralized in acidic condition. The process causes a permanent swelling of the fiber and thus increases its luster. It is the process of treatment of cellulosic material with cold or hot caustic conditions under specific conditions to improve its appearance and physical as well as chemical properties.

The purpose of mercerizing is basically to improve the lusture, to improve the strength and to improve the dye uptake and moisture regain.

5. Dyeing

The dyeing process consists of application of dyestuff solution in hydraulic jiggers by an exhaustion method. Scoured and/or bleached fabric is converted into rolls to dye the fabric as per end use and to impart desired coloration (shades). The fabric is passed through various machines like Jigger Machine, Jet Dyeing Machines, soft flow machines etc, wherein the fabric is dyed with the help of various dyes, Auxiliaries and Chemicals and it is kept in Rotating Machine for colour fixation. Colour is fixed on fabric and after ensuring correct shade after inspection, fabric is soaped, washed and dried and sent for further process i.e., finishing.

In case of white color fabric, it is passed through Optical Brighting Range, wherein the fabric is treated with the help of Whitening Agents, Whitening Chemicals and auxiliaries and further sent for finishing.

6. Drying and Shrinking

It is a process of drying bleached/ dyed fabric to the required width in the hot air stenter. The fabric is passed through shrinking range Machine wherein the shrinkage is managed as per the requirement of the customer and the quality of the fabric required. Cloth having undergone this process would not shrink abnormally further after repeated washes thereby maintaining the dimensional stability of the fabric.

Dyed, printed or bleached fabric is subjected to finishing & packing process or printing as per the customer's order.

7. Printing Process

Dried, dyed or bleached fabric (as per requirement) is subjected to batch formation and taken for printing on printing machines. Colour mixtures are applied via thickeners and other ingredients (for colour fixation) through printing screens engraved with desired patterns and designs. Now-a-days, table, Flat Bed & Rotary Printing machine are mostly used and digital printing / transfer printing is also used for limited production. Roller printing is also practiced in some process houses. However at Vinny we use Table printing for sample printing and bulk production is taken on Flat beds & Rotary printing machine. Various kinds of printing is done as per requirement which includes disperse printing, pigment printing, reactive printing, resist printing, vat discharge printing, khadi print, ornamental printing e.g. Zari, silver and bronze powder printing, foil printing, foam printing, etc.

8. Colour Fixation

After printing colour fixation is done on polymerizes, high temperature loop steamers or continuous steamers as per class of dye used for printing. This process involves heat and steam treatment to printed fabric through which printed patterns are permanently fixed on fabric surface.

9. Washing & Drying Process

Washing operations are carried out most frequently during a complete fabric finishing cycle. They are almost always connected to key treatments and aimed at removing from the fabric insoluble matters, matters already in solution or an emulsion of other impurities in dyeing. The washing stage is necessary to complete the dyeing process itself or to eliminate the dyestuff which has not been fixed; during the printing stage, washing performs a finishing action. When using vat dyes or disperse dyes, the washing process aims at removing insoluble pigment substances from the fibre surface by means of wetting or dissolving agents.

10. Finishing & Packing and Dispatch Process

Dyed, printed or bleached fabric is subjected to finishing. Chemical finishing imparts desired feel weight and fall to fabric and also incorporate desired properties of viz. water proofing, fire resistance, anti-bacterial properties, softness, fragrance etc. This operation also ensures dimensional restructuring and stability of fabric that is width setting. Mostly high-speed setters are used for this process. After chemical finishing, fabric is subjected to mechanical finishing, imparting dimensional stability. This is done on sanforising machine which controls shrinkage of fabric during washing of garments, calendaring is done to impart shining and smooth feel to end product. Finished fabric is sent to checking and packing department for quality inspection and packing followed by dispatching through bale formation.




The Company is engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies. Parties provide the raw material viz., grey cloth to the Company which in turn dyes and prints the grey cloth as per the specification provided/ required by the parties. After processing, the Company sends the final products to the parties' godown/ offices by way of third party transportation. The Company is also engaged in trading of grey cloth in domestic market. We supply the same to various garment houses and apparel manufacturers as per the order received.

PRODUCTS INCLUDES

We are engaged in the business of processing of Grey Fabric using various bleaching, dying and printing processes. Our Company is also engaged in providing job work services as well as manufacturing finished goods meant for direct sale. Our Company procures Grey Fabric from the market and further dyes, prints and finishes the same as per the client's requirements on the basis of quality and design of the fabric, sizing requirements etc. Our Company is also engaged in trading of grey fabrics as per the customers requirement. The Product portfolio are as follows:

Sr. No	Products	Description	
1	Shirting fabrics		72x68 Cotton White Pigment Print 58"
			132x72 Sartin Pigment Print 58"

Sr. No	Products	Description	
2	Suiting Fabrics		Sartin Slub Dying 58"
			Metty Dying 58"
			30x30 Twill Dying 58"
3	Polyster fabric		Chirag Pigment Print 44"
4	Dress materials		Reyon Prosson Print 44"

Sr. No	Products	Description	
			Cambrics Prossion Print 44"
			30x150 Twill Pigment Print 58"
5	Cotton fabric		20x20 Cotton Prossion Print 58"

Geographical wise revenue breakup

Our Company generates approx. 97.00 % of its Revenue from Operation from Domestic market while approx. 3.00 % of Revenue is generated by its export operations. The details of geographical break up is as under:

(Rs. In Lakhs)

Particulars	Dec-23^		FY Mar-23*		FY Mar-22*		FY Mar-21*	
	Amount	in %	Amount	in %	Amount	in %	Amount	in %
Domestic								
Gujarat	8419.73	96.63	10016.13	94.21	9988.56	90.88	11331.12	82.15
Maharashtra	127.93	1.47	30.62	0.28	70.49	0.64	78.85	0.57
Haryana	5.32	0.06	21.08	0.20	5.14	0.05	3.63	0.03
Delhi	1.03	0.01	6.30	0.06	8.68	0.08	115.98	0.84
Rajasthan	29.69	0.34	3.87	0.04	24.78	0.23	153.85	1.12
Uttar Pradesh	-	-	6.52	0.06	0.94	0.01	-	-
West Bengal	-	-	1.03	0.009	58.52	0.53	491.28	3.56
Tamilnadu	-	-	324.09	3.05	645.89	5.88	1219.99	8.84
Madhya Pradesh	-	-	-	-	2.04	0.02	2.84	0.02
Kerala	-	-	-	-	0.39	0.00	-	-
Punjab	-	-	-	-	5.03	0.05	30.82	0.22
Total (A)	8583.69	98.51	10409.64	97.91	10810.46	98.35	13428.36	97.35
Export								
Dubai	100.90	1.16	120.79	1.14	180.98	1.65	365.42	2.65

Particulars	Dec-23 [^]		FY Mar-23*		FY Mar-22*		FY Mar-21*	
	Amount	in %	Amount	in %	Amount	in %	Amount	in %
Sri Lanka	29.22	0.34	-	-	-	-	-	-
Republic of Panama	-	-	101.13	0.95	-	-	-	-
Total (B)	130.12	1.49	221.92	2.09	180.98	1.65	365.42	2.65
TOTAL (A + B)	8713.82	100	10,631.56	100	10,991.44	100	13,793.78	100

[^]As per unaudited Financial Results submitted to the Stock Exchange.

*As per the Restated Financial Statements.

Activity wise revenue breakup

(Rs. In Lakhs)

Particulars	Dec-23 [^]		FY Mar-23*		FY Mar-22*		FY Mar-21*	
	Amount	in %	Amount	in %	Amount	in %	Amount	in %
Manufacturing	2428.59	27.87	2652.06	25.00	7200.49	65.52	9020.45	65.40
Trading	805.14	9.24	1392.72	13.10	681.53	6.20	2341.25	16.97
Job Work	5480.08	62.89	6586.78	61.90	3109.42	28.28	2432.08	17.63
Total	8713.82	100.00	10,631.56	100.00	10,991.44	100.00	13,793.78	100.00

[^]As per unaudited Financial Results submitted to the Stock Exchange.

*As per the Restated Financial Statements.

Our Manufacturing Infrastructure

As on date of filing this Draft Letter of Offer, our company has only one operational manufacturing unit located at B/h International hotel, Narol Isanpur road, Narol Ahmedabad 382405 Gujarat. All our products are manufactured in-house at the manufacturing unit. Our manufacturing unit is well equipped with modern and fully-automated plant & machinery. Further, all our raw materials and finished goods are stored within our own manufacturing unit. Details of our manufacturing unit, please refer to "Immovable Properties" on page no. 74 of the Draft Letter of Offer.

The graphic of our Manufacturing Unit:



Plant and Machinery

The details of existing major Plant & Machinery for the Fabric Processing Unit are given below:

Sr. No.	List Of Machineries	Quantity
1.	FLAT BED SCREEN PRINTING	2
2.	FLAT BED ROTARY SCREEN PRINTING	1
3.	ROTARY SCREEN PRINTING	2
4.	CONTINUOUS STEAM AGER	2
5.	LOOP STEAMER	1
6.	HOT AIR STENTER	3
7.	CALENDER MACHINE	2
8.	ZERO ZERO MACHINE	2
9.	FLAT DRYER	1

Sr. No.	List Of Machineries	Quantity
10.	MARSRISE MACHINE	1
11.	DRYING RANG MACHINE	3
12.	JET DYEING MACHINE	9
13.	SOFT FLOW DYEING MACHINE	1
14.	WELDING MACHINE	3
15.	DRILLING	1
16.	HEXO CUTTING MACHINE	1
17.	JIGGER DYEING	41
18.	PITCHING MACHINE	1
19.	FOLDING MACHINE	6
20.	ROLLS FOLDING MACHINE	4
21.	STEAM BOILER	2
22.	THERMIC FLUID HEATER	1
23.	EFFLUENT TREATMENT PLANT WITH DRAINAGE MEGA PIPE LINE	1
24.	AIR COMPRESSORS	7
25.	HYDRAULIC LIFT	3
26.	PADDING MACHINE	2
27.	WASHING MACHINE SOFFER (PUJJA & THAKORE)	2
28.	SOFT FEEL (LISSA)	1
29.	CBR MACHINE (DHALL)	1
30.	ESP	1
31.	CHIMANY 105'	1
32.	COSTIC RECOVERY PLANT	1
33.	ROLL OPEN GREY INSPECTION	3
34.	OIL FILTER PLANT (CLEANING FILTERING)	1
35.	SOLOR PANEL UNIT	200 KW UNIT-1
36.	HT 787 11000 VOLT	1
37.	TRANSFARMER 1500KVA	1
38.	DIGITAL /LESSER/LEN ENGRAVING SCREEN MACKING SYSTEMS	1
39.	FOIL MACHINE	3
40.	GAS SINGEING MACHINE	1
41.	INKJET ENGRAVER (FLATBED)	1
42.	INKJET ENGRAVER (ROTORY)	1
43.	WIND MILLS (1650 KW)	1
44.	DIGITAL INKJET PRINTING MACHINE VEGA- 1	1
45.	DIGITAL PRINTING MACHINE (ORANGE) COTTON	1
46.	DIGITAL INKJET PRINTING MACHINE	9
47.	DIGITAL INKJET PRINTING MACHINE (KYOCERA)	1
48.	PAPER TRANSFER MACHINE	7
49.	EMBOSSING MACHINE	2

The graphic of our Quality Check Equipments:



List of Quality Check Equipments

Sr. No.	List Of Equipments	Purpose	Quantity
1.	Infra Colour Dyeing Machine Model 12 x N – 250 ml, Capacity with ‘N’ series Beaker with Variable speed with S-121 controller and standard accessories with Fix Sensor	For Checking the colour quality on dyied fabrics	1
2.	Washing Machine	For checking Shrinkage of fabrics	1
3	Tumble Dryer	For checking Shrinkage of fabrics	1

Capacity And Capacity Utilization

The following table set forth the installed capacity of our manufacturing unit:

Particulars	As on Dec. 31, 2023	As at		
		31-Mar-2023	31-Mar-2022	31-Mar-2021
Installed Capacity (in MPA) *	4,20,00,000	4,20,00,000	3,90,00,000	3,90,00,000
Capacity Utilized (in MPA) *	2,82,85,359	3,98,84,779	3,50,56,308	3,68,19,774
Utilized Capacity (in %)	89.79%	94.96%	89.89%	94.41%

*Capacity calculated based on shift of 24 hours per day. The above information has been certified by Mr. Deepak C. Shah, Chartered Engineer bearing registration no. M/029216-02 vide his certificate dated 18-03-2024. As per the certificate, the working day for the above calculation is considered as 325 working days of the financial year.

Quality Assurance

We place emphasis on quality control. We inspect the color quality on dyied fabrics and shrinkage issue with our printed fabrics. .. Our manufacturing unit has team of dedicated personnel who are responsible for monitoring the parameters of equipment, technical parameters of materials, reporting any irregularities in the raw material and manufacturing process and making adjustments accordingly.

Sales and Marketing

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our Company since a long period in time. Our promoter through their vast experience and good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. We have also a sales team which handles business development and relationship management for our business.

We believe our relationship with the clients is strong and established as we receive repeated orders. To retain our customers, our team, which comprises of people with vast experience regularly interacts with them and focuses on gaining an insight into the additional needs of customers.

We intend to expand our existing customer base by reaching out to other geographical areas. Our marketing team is ready to take up challenge so as to scale new heights.

Competition

We face substantial competition for our products from other manufacturers in domestic market and the international market. Our competition varies for our products and regions. We compete with other manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client’s decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our major competitors are: Dhanlaxmi Fabrics Limited, Aarvee Denims & Exports Limited, Gopi Synthetics Private Limited etc.

Environment, Health and Safety

We are also subject to laws and government regulations, including in relation to safety, health and environmental protection. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. These

environmental protection laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other such aspects of our manufacturing.

We aim to comply with the applicable health and safety regulations and other requirements in our operations and have adopted an environmental, health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management. Periodic assessment of working conditions of our employees is carried out to ensure a safe working environment at our manufacturing unit. We consistently and continue to ensure compliance with applicable environment, health, safety regulations and other requirements in our operations.

Infrastructure and Utilities

Infrastructure

Our registered office and manufacturing units are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

Power

Our Company has set up a power project of 1.650 MW capacity at village Vandhiya, Taluka: Bhachau, District Kutch using wind turbine generators in Gujarat to generate electricity for use in its processing plant. Our Company has executed an agreement with Torrent Power Ltd. where TPL has agreed to wheel the electricity generated by our Company for captive use from TPL receiving point to our processing plant and TPL shall purchase the surplus energy i.e., total energy generated by our Company minus the energy consumed by our Company at the rate as approved by Gujarat Electricity Regulatory Commission.

Water Facilities

Our manufacturing unit cum registered office has in-house water facility in form of bore well and storage facility. Our Company having two number of bore wells to meet the water requirement. The Company has also water storage tank.

Raw Materials

Since the Company processes the fabrics, the major raw materials required by the Company are Grey Cloth, Dyes, Colours & Chemicals etc. We procure Grey Cloths from the vendors based at Maharashtra and Tamilnadu and other raw materials like Colour and Chemicals we procure from the local market of Ahmedabad. Such raw materials are procured from trusted vendors from the local markets. The procured raw materials go through testing and inspection process for quality confirmation before further processing of the fabric. Coal is also required as a raw material for processing, which is procured from the local market.

Boilers

Company is required steam at various stages of processing process. Presently the Company has two steam generating Boilers with a capacity of 800 Kg/hr and 8000 kg/hr, which are used for the Processing facility. Coal is used as the fuel for the boilers and are procured as per the requirements.

Effluent Treatment Plant

The Company has Effluent Treatment Plant for bringing down the levels of effluents discharged during the process of manufacturing to the acceptable levels. The company has also received approval from GPCB and the Disposal waste is as per the General Standards notified from time to time.

Collaborations/ Tie – Ups/ Joint Ventures

As on date of the Draft Letter of Offer, our Company does not have any Collaborations/Tie-ups/Joint Ventures.

Export Possibilities & Export Obligation

Except as mentioned below as on the date of filing the Draft Letter of Offer, we do not have any outstanding export obligations:

License No.	Date of Issue	Export Obligation (In US \$)	Export Obligation (Amount in Rs. Lakhs)	Duty Saved (Amount Rs. in Lakhs)	Outstanding Export Obligation (Amount Rs. in Lakhs)	Export Obligation Period
0830011019	21-02-2019	66945.35	48.27	8.04	48.27	6 YRS
0831007926	20-04-2023	415823.58	337.23	56.21	337.23	6 YRS

Insurance

Our insurance policies are subject to customary exclusions and deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage maintained. We maintain insurance policies in respect of our operations. We maintain standard fire and special perils policy, Boiler & Pressure Plant insurance and insurance for our wind mill details of which are set forth below:

Sr. No.	Insurer	Description of Insurance	Policy No.	Expiry Date	Insured Amount (Rs. In Lakhs)
1.	Cholamandalam MS General Insurance Company Ltd	Burglary	2948/00172437/000/02	17-09-2024	2500.00
2.	Cholamandalam MS General Insurance Company Ltd	Boiler And Pressure Plant Insurance	2232/00100517/000/05	18-12-2024	205.00
3.	Cholamandalam MS General Insurance Company Ltd	Standard Fire And Special Perils Policy Schedule	2130/01359055/000/05	18-12-2024	6350.00
5.	Cholamandalam MS General Insurance Company Ltd	Burglary for wind power	2948/00817798/000/01	01-10-2024	800.00

Manpower

The table below shows the break-up of our employees as on December 31, 2023:

Sr. No	Department	Number
1.	Production Department	41
2.	Finance Department	6
3.	Administration and Security Department	4
4.	Sales & Marketing department	3
5.	Purchase & Procurement Department	2
6.	Human Resource Department	1
7.	Store-Department	2
8.	General Manager	1
9.	Gst Department	1
10.	Engineering-Depart	4
11.	Designer Depart	4
12.	Legal and Compliance Department	1
Total		70

IMMOVABLE PROPERTIES

The detail of our property is as follows:

Owned Properties

Sr. No.	Date of Execution of Sale Deed	Name of the Seller	Name of the Buyer	Location of the Property	Consideration (in Rs.)	Usage Purpose
1.	18-05-1996	Yogeshwar Maninagar Co. Op. Housing Society Limited	Vinny Overseas Limited	Flat No. 22, Third floor, Yogeshwar Maninagar Co. Op. Housing Society Ltd, Kumbhnath society, near Avkar Hall, Maninagar, Ahmedabad - 8	2,48,430/-	Office usage
2.	18-05-1996	Yogeshwar Maninagar Co. Op. Housing Society Limited	Vinny Overseas Limited	Flat No. 21, Third floor, Yogeshwar Maninagar Co. Op. Housing Society Ltd, Kumbhnath society, near Avkar Hall, Maninagar, Ahmedabad - 8	2,48,430/-	Office usage

Leased Properties

Sr. No.	Lease Date & term of lease	Name of the Lessor	Name of the Lessee	Location of the Property	Lease Fee	Usage Purpose
	21-05-2021; 25 years w.e.f. 01-04-2021	Hirlal Jagdishchand Parekh	Vinny Overseas Limited	B/H International Hotel, Narol - Isanarol Narol, Ahmedabad, Gujarat, 382405	Rs. 50,000 p.m.	Registered office and manufacturing unit

INTELLECTUAL PROPERTY

As on date of this Draft Letter of Offer, our Company does not have registered / applied for any intellectual property rights.

OUR MANAGEMENT

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than (3) three Directors and not more than (15) fifteen Directors, unless otherwise determined by our Company through a special resolution. As on the date of this Draft Letter of Offer, our Board comprises of 8 (Eight) Directors, of which 1 (One) Director is Managing Director, 5 (Five) Non-Executive Director out of which 2 (Two) is a woman Director and 2 (Two) Non-executive Independent Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

Our Board of Directors

The following table sets forth the details regarding our Board as on the date of this Draft Letter of Offer:

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other Directorships in Companies
<p>Hiralal Parekh Designation: Managing Director DIN: 00257758 Date of Birth: 27-10-1964 Age: 59 Occupation: Business Address: 7, Sundarya Villa, Ambali, Bopal Ahmedabad Gujarat 380058 India Nationality: Indian Original Date of Appointment: 29-05-1992 Re-appointment: 30-09-2022 Period of Directorship: For a period of five years effective from September 30, 2022 and not liable to retire by rotation.</p>	<ul style="list-style-type: none"> • Mohanlal Mahavirchand Impex Private Limited
<p>Latadevi Parekh Designation: Whole-time Director DIN: 02973048 Date of Birth: 20-10-1964 Age: 59 Occupation: Business Address: 7, Sundarya Villa, Ambali, Bopal Ahmedabad Gujarat 380058 India Nationality: Indian Original Date of Appointment: 04-03-2010 Re-appointment: 30-09-2022 Period of Directorship: For a period of five years effective from September 30, 2022 and not liable to retire by rotation.</p>	<ul style="list-style-type: none"> • Mohanlal Mahavirchand Impex Private Limited
<p>Nishita Shah Designation: Whole-time Director DIN: 07197925 Date of Birth: 01-08-1990 Age: 33 Occupation: Business Address: 290/1, Sundar Niwas, Netaji Marg Mithakhali Six Road, Navrangpura Ahmedabad Gujarat 380009 India Nationality: Indian Original Date of Appointment: 01-07-2015 Re-appointment: 30-09-2022 Period of Directorship: For a period of five years effective from September 30, 2022 and not liable to retire by rotation.</p>	<ul style="list-style-type: none"> • Yashasvi Recyclers Private Limited

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other Directorships in Companies
<p>Vandani Chowdhary Designation: Non-Executive Director DIN: 03048990 Date of Birth: 14-12-1986 Age: 37 Occupation: Business Address: 3/B, Mahavir Society, Nr. Mahalaxmi Cross Road, Paldi Ahmedabad Gujarat 380007 India Nationality: Indian Original Date of Appointment: 12-05-2010 Change in Designation: 14-08-2018 Period of Directorship: Liable to retire by rotation.</p>	<ul style="list-style-type: none"> • Sanfo Foods Private Limited
<p>Divyaprakash Chechani Designation: Non-Executive Independent Director DIN: 08921232 Date of Birth: 22-02-1984 Age: 39 Occupation: Service Address: E-301, Girivar Residency, Opposite Yogeshwar Park Society, 200 Ft. Ring Road, Near Vastral Ahmedabad Gujarat 382418 India Nationality: Indian Original Date of Appointment: 20-10-2020 Change in Designation: 27-09-2021 Period of Directorship: For a period of five years effective from September 27, 2021 and not liable to retire by rotation.</p>	<p style="text-align: center;">Nil</p>
<p>Parag Jagetiya Designation: Non-Executive Independent Director DIN: 08902895 Date of Birth: 26-12-1994 Age: 29 Occupation: Professional Address: F11 Radhe Appartment B/H Bombay Garage Shahibaug Ahmedabad Gujarat 380004 India Nationality: Indian Original Date of Appointment: 20-10-2020 Change in Designation: 27-09-2021 Period of Directorship: For a period of five years effective from September 27, 2021 and not liable to retire by rotation.</p>	<ul style="list-style-type: none"> • DDTC Exim Limited • Ratnadeep Metal And Tubes Limited • Unigrd Techfin Private Limited • Krishna Global Transenergy Limited • Jagson Colorchem Limited • GTC Oilfield Services Limited
<p>Rajnish Pathak Designation: Non-Executive Independent Director DIN: 08764000 Date of Birth: 25-12-1995 Age: 28 Occupation: Professional Address: Paroraha, P.O. Gobraura, West Champaran, Bettiah Bihar 845453 India Nationality: Indian Original Date of Appointment: 13-07-2022 Change in Designation: 30-09-2022 Period of Directorship: For a period of five years effective from September 30, 2022 and not liable to retire by rotation.</p>	<ul style="list-style-type: none"> • Adjia Technologies Limited • Mishtann Foods Limited
<p>Neelam Gurbaxani Designation: Non-Executive Independent Director DIN: 09732346 Date of Birth: 06-08-1992 Age: 31 Occupation: Professional</p>	<p style="text-align: center;">Nil</p>

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other Directorships in Companies
Address: 22 Sukhdham Flats Old Vadaj Ahmadabad Gujarat 380013 India Nationality: Indian Original Date of Appointment: 09-09-2022 Change in Designation: 30-09-2022 Period of Directorship: For a period of five years effective from September 30, 2022 and not liable to retire by rotation.	

Brief Biographies of our Directors

Hiralal Parekh aged 58 of years is Managing Director of our company. He holds a bachelor's degree in commerce from Gujarat University. He has been associated with our Company since incorporation and appointed as Managing Director with effect from April 1, 2017. He has more than three decades of experience in the textile industry. He is actively associated with the company in its operations since its incorporation. He is the guiding force behind all the corporate decisions and is responsible for the entire business operations specifically manufacturing and sales operations of the company.

Latadevi Parekh, aged 58 years is Whole Time Director of our company. She holds a bachelor's degree in arts from Jain Vishva Bharati Institute. She has more than Eight years of experience in textile Industry. She is majorly responsible for Administration of Routine Business operations of the company.

Nishita Shah aged 32 years is Whole Time Director of our company. She holds a master's degree of business administration from Nirma University, Gujarat. She has more than 3 years of experience in the field of Finance, specifically associated with Fabric Manufacturing and Dyeing Industry. She is entrusted with the responsibilities of Quality Control and costing decisions associated with procurement operations of the company.

Vandani Chowdhary aged 36 years is Non-Executive Director of our Company. She is an associate member of Institute of Chartered Accountants of India. She has more than experience of 10 years in the Fabric Manufacturing and Dyeing Industry and Human Resource Management.

Parag Jagetiya, aged 28 years Non-Executive Independent Director of our Company. He is a Chartered Accountant and Certified Bank Concurrent Auditor by Profession and he also did a diploma in Information System Audit. He has an extensive experience 5 years in the field of Bank Audit and Concurrent Audit, Goods and Services Tax advisory.

Divyaprakash Chechani, aged 36 years has an extensive experience in the field of Banking, Marketing and Import and Export related operations and in the field of Forex Management. He holds a degree of business administration from Gujarat University. He was appointed as a Non –Executive Independent Director with effect from October 20, 2020 for a period of 5 years.

Rajnish Pathak aged 27 years is bachelor's in commerce and associate member of Institute of Company Secretaries of India. He is having an experience and in-depth knowledge in Accounts, Legal and Secretarial field for more than 5 years. He was appointed as a Non –Executive Independent Director with effect from July 13, 2022, for a period of 5 years.

Neelam Gurbaxani, aged 30 years is a Non –Executive Independent Director of the Company. She holds a degree of Company Secretary by profession and has also completed her master's in Commerce and LLB. She has an experience of over 8 years in the field of secretarial, Legal and compliance work.

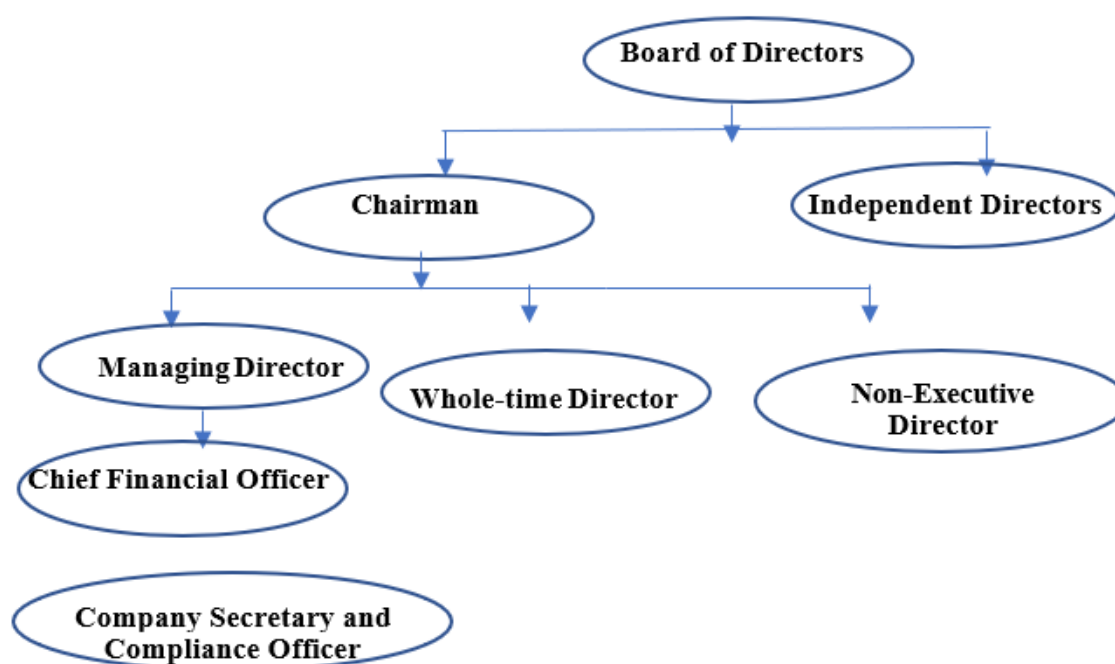
Confirmations

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is categorized or are on the RBI List of wilful defaulters.
- None of the Directors is categorized or are on the RBI List of fraudulent borrowers.
- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company;
- None of our Directors is or was a director of any listed company whose shares have been or were delisted from the Stock Exchange(s), during the term of their directorship in such company in the past 10 years.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

For details on legal cases, please refer to the chapter titles “*Outstanding Litigations And Material Information and Developments*” beginning on page 158 of this Draft Letter of Offer.

Management Organisation Structure



Corporate Governance

The provisions of the Companies Act, 2013 and SEBI Listing Regulations with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable provisions of the Act and the Regulations, including the SEBI Listing Regulations and Companies Act, 2013, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Committees, as required under the law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders’ Relationship Committee

Details of each of these committees are as follows:

Audit Committee

Our Audit Committee was reconstituted by our Board of Directors in their meeting held on October 20, 2020, with the following members forming a part of the said committee:

Name	Designation	Chairperson/Member
Parag Jagetiya	Non-Executive Independent Director	Chairperson
Vandani Chowdhary	Non-Executive Director	Member
Divyaprakash Chechani	Non-Executive Independent Director	Member

The Company Secretary acts as the Secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the companies act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

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

Role of Audit Committee

The role of the Audit Committee shall include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the audit report;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Draft Prospectus/ Prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making a appropriate recommendations to the board to take up steps in this matter;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal controls systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up thereon;
- 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;

- 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;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: (a) half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the Draft Prospectus / Prospectus/notice in terms of Regulation 32(5).

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than four months shall elapse between two meetings. The quorum shall be two members present, or one third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was last reconstituted by our Board of Directors in their meeting held on October 20, 2020. The members of the said committee are as follows:

Name	Designation	Chairperson/Member
Parag Jagetiya	Non-Executive Independent Director	Chairperson
Vandani Chowdhary	Non-Executive Director	Member
Divyaprakash Chechani	Non-Executive Independent Director	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

Set forth below are the terms of reference of our Nomination and Remuneration Committee.

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- 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.
- to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Stakeholders' Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted on October 20, 2020. The members of the said committee are as follows:

Name	Designation	Chairperson/Member
Parag Jagetiya	Non-Executive Independent Director	Member
Vandani Chowdhary	Non-Executive Director	Chairperson
Hiralal Parekh	Executive Director	Member

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholder 's Relationship Committee and its terms of reference shall include the following:

A. Tenure: The Stakeholder/ Investor Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder / Investor Relationship Committee as approved by the Board.

B. Meetings: The Stakeholder/ Investor Relationship Committee shall meet at least at least once in a year and shall report to the Board regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher.

C. Terms of Reference: Redressal of shareholders' and investors' complaints, including and in respect of:

1. Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures.
2. Redressal of security holders'/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
3. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
5. Allotment and listing of shares;
6. Reference to statutory and regulatory authorities regarding investor grievances; and
7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
8. Any other power specifically assigned by the Board of Directors of the Company

OUR KEY MANAGERIAL PERSONNEL

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

Details of Key Managerial Personnel and Senior management Personnel

In addition to our Executive Directors, viz, Hiralal Parekh, Nishita Shah and Latadevi Parekh whose details have been provided under paragraph above titled 'Brief Biographies of our Directors', given below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Mr. Mularam Prajapati, aged 55 years is Chief Financial Officer of our company. He holds a bachelor's degree in commerce from Jodhpur University. He has over 30 years of experience in the accounts, finance and taxation. He was initially appointed as Chief Financial Officer of the company on April 01, 2017; he subsequently resigned from the said designation on March 19, 2018. He was re-appointed as Chief Financial Officer of the company with effect from May 01, 2018. He is entrusted with entire accounts and finance operations of our company.

Mrs. Mansi Pratik Patel, aged 34 years is a Company Secretary and Compliance officer of our Company. She is a member of Institute of Company Secretaries of India and holds bachelor's degree in commerce and Law from Gujarat University. She was appointed as Company Secretary and Compliance officer of our company on May 01, 2024. She has an experience of over 5 years in the field of secretarial, Legal and compliance work.

Relationship Between Key Managerial Personnel / Directors

Except as mentioned below none of the Key Managerial Personnel / Directors are related to each other:

1. Hiralal Parekh is the father of Vandani Chowdhary and Nishita Shah.
2. Latadevi Parekh is wife of Hiralal Parekh.
3. Latadevi Parekh is the mother of Vandani Chowdhary and Nishita Shah.

OUR PROMOTER

Our Promoter is Hiralal Parekh. As on date of this Draft Letter of Offer, our Promoter hold, in aggregate of 7,04,45,320 Equity Shares 30.28% of our issued, subscribed and paid-up equity share capital, respectively.

Brief Description of Promoter:

Hiralal Parekh, aged 58 of years is the Promoter and Managing Director of our company. He holds a bachelor's degree in commerce from Gujarat University. He has been associated with our Company since incorporation and appointed as Managing Director with effect from April 1, 2017. He has more than three decades of experience in the textile industry. He is actively associated with the company in its operations since its incorporation. He is the guiding force behind all the corporate decisions and is responsible for the entire business operations specifically manufacturing and sales operations of the company. The other directorship held in Companies are as follows:

- Mohanlal Mahavirchand Impex Private Limited

Confirmations

1. Our Promoter has not been declared as a Wilful Defaulter or a Fraudulent Borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or is currently pending against it.
2. Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. Our Promoters have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Promoters is and has never been a promoter, director, or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Save and except as disclosed in “Outstanding Litigations and Material Developments – Litigation involving our Promoter” beginning on page 158, there are no litigation or legal action pending or taken by any Ministry, Department of the Government or statutory authority during the last 5 years preceding the date of the Issue against our Promoter.

DIVIDEND POLICY

Our Company does not have a formal dividend policy.

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to working capital requirements, profit earned during the Fiscal, capital expenditure requirements, cash flow to meet contingencies, liquidity, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance our fund requirements for our business activities.

Our Company has not declared any dividends for the last 3 Fiscals and from April 1, 2023 till the date of this Draft Letter of Offer.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page Number
1.	Un-audited Limited Review Financial Statements for the nine months period ended December 31, 2023	87 – 91
2.	Restated Financial Statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021	92-142
3.	Capitalisation Statement	143



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Vinny Overseas Limited

MFG. OF RAYON - COTTON - POLYESTER - FASHION WEAR OF FABRICS

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(M) 9328804500-6300-7400 E-mail : cfo@vinnyoverseas.in, vinnyoverseas@gmail.com, vinnyoverseas2001@yahoo.com
Web. : www.vinnyoverseas.in • CIN : L51909GJ1992PLC017742

Date: February 14, 2024

To,
The Manager,
Listing & Compliance Department,
National Stock Exchange of India
Limited
Exchange Plaza, 5th Floor, Plot No.
C/1,
G Block, Bandra Kurla Complex,
Bandra,
Mumbai – 400051

Scrip ID: VINNY

To,
Department of Corporate
Services,
Bombay Stock Exchange
Limited
Address: 25th Floor, P.J.
Tower,
Dalal Street Fort,
Mumbai-400001

Scrip Code: 543670

Dear Sir/Madam,

Sub.: Outcome of Board Meeting pursuant to Regulation 30 Read with Schedule III of SEBI (LODR) Regulations, 2015.

With reference to captioned subject and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors of the Company in its meeting held today i.e., February 14th, 2024, at its registered office has:

Considered and approved the Unaudited standalone Financial Results for the quarter ended and Nine Months ended on 31st December 2023 as per Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board meeting Commenced on 02:30 PM and concluded on 6.07 PM

Kindly take the same in your records.

Thanking you,

FOR, VINNY OVERSEAS LIMITED

Hiralal jagdishchandra Parekh
(Managing Director)
DIN: 00257758

Kishan M. Mehta & Co.

CHARTERED ACCOUNTANTS

To,
The Board of Directors,
Vinny Overseas Limited

Subject : Limited Review Report of unaudited financial results for quarter and period ended 31st December, 2023.

We have reviewed the accompanying statement of unaudited financial results of Vinny Overseas Limited for the quarter and period ended 31st December, 2023. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

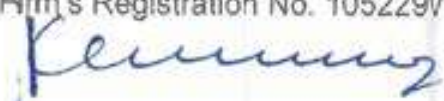
We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For KISHAN M. MEHTA & CO.
Chartered Accountants
Firm's Registration No. 105229W



Place: Ahmedabad
Date: 14th February, 2024
UDIN: 24013707BKFKFS3650


(KISHAN M MEHTA)
Partner
M.No.013707



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Web : www.vinnyoverseas.in • CIN : L51909GJ1992PLC017742

Company Name - Vinny Overseas Limited.
Registered office -B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat-382405 India
Website - www.vinnyoverseas.in
Email: - cfo@vinnyoverseas.in, vinnyoverseas@gmail.com, vinnyoverseas2001@yahoo.com
Telephone - +91 9328804500-6300-7400
CIN No. - L51909GJ1992PLC017742

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON 31ST DECEMBER, 2023

(Rs. in Lakhs)

Particulars	Quarter Ended			Nine months Period Ended		Year Ended
	31st Dec 2023	30th Sep 2023	31st Dec 2022	31st Dec 2023	31st Dec 2022	31st Mar 2023
Revenue from operations	2,635.49	3,300.94	2,009.30	8,717.10	7,200.46	10,641.51
Other income	7.54	7.34	9.06	17.31	13.35	20.71
Total Income	2,643.03	3,308.28	2,018.36	8,734.41	7,213.81	10,662.22
Expenses						
Cost of materials consumed	840.42	1,231.88	889.54	3,620.56	3,310.17	4,531.19
Purchase of Stock in Trade	524.51	107.58	157.00	786.39	305.10	1,088.47
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	132.16	152.26	(139.58)	102.20	(220.02)	(182.85)
Employee benefits expense	98.78	106.07	90.29	307.97	282.36	382.05
Finance costs	40.91	32.48	27.13	105.60	76.74	105.75
Depreciation and amortization expense	125.82	116.24	104.29	353.94	298.85	407.69
Other expenses	803.06	1,355.21	909.33	3,124.87	2,992.87	3,989.68
Total expenses	2,565.86	3,101.72	2,038.02	8,401.33	7,046.08	10,321.97
Profit/(loss) before exceptional items and tax	77.36	206.57	(19.66)	333.07	167.74	340.25
Exceptional Items	-	-	-	-	-	-
Profit/(loss) before tax	77.36	206.57	(19.66)	333.07	167.74	340.25
Tax expense:	(32.46)	31.87	7.70	14.87	33.85	99.53
Current tax	12.94	23.29	(3.15)	54.91	-	56.80
Prior period tax	(48.59)	-	-	(48.59)	-	0.78
Deferred tax	1.18	8.58	10.85	6.54	33.85	41.95
Profit (Loss) for the period from continuing operations	109.83	174.69	(27.37)	318.21	133.89	240.73
Profit/(loss) from discontinued operations						
Tax expense of discontinued operations						
Profit/(loss) from Discontinued operations (after tax)						





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Profit/(loss) for the period	109.83	174.69	(27.37)	318.21	133.89	240.73
Other Comprehensive Income	(1.50)	(1.51)	1.73	(4.51)	5.20	(5.47)
Items that will not be reclassified to profit or loss (Net off tax)	(1.50)	(1.51)	1.73	(4.51)	5.20	(5.47)
Items that will be reclassified to profit or loss (Net of tax)	-	-	-	-	-	-
Total Comprehensive Income for the period	108.33	173.18	(25.64)	313.70	139.09	235.26
Paid-up equity share capital (Face Value of the Share Rs. 1/- each)	2,326.23	2,326.23	1,011.41	2,326.23	1,011.41	2,326.23
Earnings per equity share (for continuing operation): (Face value of the Share Rs. 1/- each)						
Basic	0.05	0.08	(0.27)	0.14	1.32	0.10
Diluted	0.05	0.08	(0.27)	0.14	1.32	0.10
Earnings per equity share (for discontinued operation): (Face value of the Share Rs. 1/- each)						
Basic	-	-	-	-	-	-
Diluted	-	-	-	-	-	-
Earnings per equity share (for continuing & discontinued operation): (Face value of the Share Rs. 1/- each)						
Basic	0.05	0.08	(0.27)	0.14	1.32	0.10
Diluted	0.05	0.08	(0.27)	0.14	1.32	0.10

Handwritten signature/initials.





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Web : www.vinnyoverseas.in • CIN : L51909GJ1992PLC017742

1 This statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Accounting Standards Rules, 2015 (as amended).

2 These results have been reviewed and recommended for adoption by the Audit Committee in its meeting held on February 14, 2024, and approved by the Board of Directors at its meeting held on February 14, 2024. The Auditors of the Company have carried out a limited review of the unaudited financial results for the Quarter and nine months ended on December 31, 2023. Their limited review report does not have any qualification or modification.

3 The accounting standard AS-108 "Operating Segment" disclosures are not applicable, as there is only one segment being Textile products.

4 The previous year's figures have been regrouped and/or rearranged wherever considered necessary.

5 EPS is not annualized for the quarter ended December 31, 2023, September 30, 2023 and December 31, 2022 and for half year ended on December 31, 2023 and December 31, 2022.

6 The Figures of the Quarter ended December 31 2022 and December 31 2023 are balancing figures between unaudited reviewed figures in respect on nine month ended December 31 2022 and December 31 2023 respectively and reviewed figures of half year ended September 30 2022 and September 30 2023 respectively. The figures of the quarter ended September 30 2023 are balancing figures between reviewed figures in respect of half year ended September 30 2023 and unaudited reviewed figures in respect of quarter ended June 30 2023.



By order of the Board

Hiralal Parikh
(Managing Director)

Place: Ahmedabad

Date: February 14, 2024

For, VINNY OVERSEAS LTD.

Authorized Signatory / Director



Kishan M. Mehta & Co.

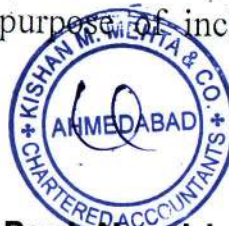
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

The Members of
M/S VINNY OVERSEAS LIMITED

Dear Sirs,

1. We have examined the attached Restated Financial Information of Vinny Overseas Limited (the "Company" or the "Issuer") comprising the Restated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statements of Profit and Loss (including other comprehensive income) and the Restated Statements of Cash Flows for the year ended March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statements of Changes in Equity ended March 31, 2023, March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 23/03/2024 for the purpose of inclusion in the Draft Letter of Offer and the Letter of Offer (collectively, the "Offer Documents") prepared by the Company in connection with its proposed Right Issue of Equity Shares in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer



6th Floor, Premchand House Annexe, Ashram Road, Ahmedabad - 380 009. (India)
Ph. : 91-79-26581570, 66055570, 66311570 E-mail : kishanmmehtaco@gmail.com

Kishan M. Mehta & Co.

CHARTERED ACCOUNTANTS

Documents to be filed with Securities and Exchange Board of India (SEBI), Registrar of Companies, Ahmedabad in connection with the proposed Right Issue of Equity Shares. The Restated Financial Information have been prepared by the Management of the Company on the basis of preparation stated in Annexure V to the Restated Financial Information. The Board of Directors of the company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the restated financial information.

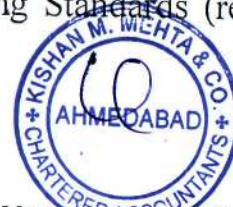
3. We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter with the proposed Right Issue of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Right Issue.

4. These Restated Financial Information have been compiled by the management from:

The figures for the year ended March 31, 2023 have been extracted by the management from the Ind AS Audited Financial Statements of the Company for the year ended March 31, 2023. The Audited Financial Statements of the Company for the year ended March 31, 2022 and March 31, 2021 are prepared by the company in accordance with Accounting Standards (referred to as



Kishan M. Mehta & Co.

CHARTERED ACCOUNTANTS

“AS”) but as the financial statement figures for the year ended March 31, 2023 are Ind AS figures, to make the figures of year ended March 31, 2022 and March 31, 2021 comparable with year ended March 31, 2023 figures, the year ended March 31, 2022 Ind AS figures in these Restated Financial Information are extracted from previous year column figures appearing in Ind AS Audited financial statements of year ended March 31, 2023 and the year ended March 31, 2021 Ind AS figures in these Restated Financial Information are provided by the management are adjusted figures applying Ind AS to the figures of audited financial statements for year ended March 31, 2021.

5. For the purpose of our examination, we have relied on:

Auditors' Report issued on, and the financial statements for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively as referred in Paragraph 4 above and Ind AS financial statement prepared by management for the year ended March 31, 2021 as referred to in paragraph 4 above.

6. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the reports submitted to us for the respective years, we report that the Restated Financial Information:

a) have been prepared after incorporating / adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, 2022 and 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications;

b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

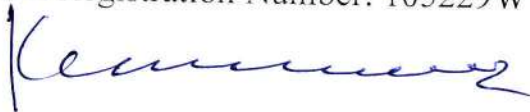


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8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Ind AS financial statements/ audited Indian GAAP financial statements mentioned in paragraph 4 above.
9. 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.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the Proposed Right issue 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. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For, Kishan M. Mehta & Co.
Chartered Accountants
Firm Registration Number: 105229W



(K.M. Mehta)
Partner
M. No. 13707

Place: Ahmedabad
Date: 26th March, 2024



UDIN: 24013707 BKFKOTE1773

Annexure I- Restated Statement of Assets and Liabilities
(Amount in INR lakhs, unless otherwise stated)

Particulars	Note Nos.	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Assets				
A. Non Current Assets				
(a) Property, plant and equipment	1	2,053.69	1,869.45	1,861.45
(b) Capital-work-in-progress	1	3.04	-	2.03
(c) Right-of-use	2	53.71	56.05	-
(d) Other intangible assets	3	0.22	0.22	1.16
(e) Financial assets				
(i) Other non-current financial assets	4	45.98	45.70	52.55
(f) Deferred tax assets (net)	5	7.00	46.84	-
(g) Other non-current assets	6	51.39	33.66	35.68
Total (A)		2,215.04	2,051.93	1,952.87
B. Current Assets				
(a) Inventories	7	977.18	840.10	2,964.42
(b) Financial assets				
(i) Trade receivables	8	2,194.53	1,899.00	2,750.34
(ii) Cash and cash equivalents	9	5.75	5.51	5.09
(iii) Loans	10	101.06	6.78	3.89
(iv) Other current financial assets	11	179.36	200.16	139.25
(c) Current tax assets (net)	12	153.71	182.27	118.69
(d) Other current assets	13	463.26	530.24	374.78
Total (B)		4,074.85	3,664.06	6,356.46
Total Assets (A+B)		6,289.89	5,715.99	8,309.33
Equity and Liabilities				
A. Equity				
(a) Equity share capital	14	2,326.23	919.46	919.46
(b) Other equity	15	455.09	1,626.60	2,071.38
Total (A)		2,781.32	2,546.06	2,990.84
Liabilities				
B. Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	16(i)	658.10	683.34	1,267.56
(ii) Lease liabilities	17(i)	56.32	57.07	-
(b) Provisions	18	28.92	31.70	35.23
(c) Deferred tax liabilities (net)		-	-	95.58
Total (B)		743.35	772.12	1,398.36
C. Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	16(ii)	1,055.67	729.00	1,048.57
(ii) Lease liabilities	17(ii)	0.75	0.69	-
(iii) Trade payables	19			
(a) total outstanding dues of micro enterprises and small enterprises; and		-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,630.62	1,548.79	2,752.77
(iv) Other current financial liabilities	20	25.09	56.57	78.07
(b) Other current liabilities	21	18.38	41.28	19.97
(c) Provisions	22	34.70	21.48	20.74
(d) Current tax liabilities (net)		-	-	-
Total (C)		2,765.22	2,397.81	3,920.13
Total Equity and Liabilities (A+B+C)		6,289.89	5,715.99	8,309.33

The above statement should be read with Basis of Preparation, Significant Accounting Policies appearing in Annexure V, and Notes to Restated Financial Information appearing in Annexure VI.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

For Kishan M. Mehta & Co.
Chartered Accountants
Firm Registration Number: I05229W

K.M.Mehta
Partner
M. No.: 013707
Place: Ahmedabad
Date: 26/03/2024



For Vinny Overseas Limited

Hiralal Parekh
Managing Director
DIN: 00257758

Mularam Prajapati
CFO
PAN: ADGPP9482J

96 Place: Ahmedabad

Lata Hiralal

Latadevi Hiralal Parekh
Director
DIN: 02973048

Brinda D.Nathvani
Company Secretary
PAN: AVZPN1463E

Date: 23/03/2024

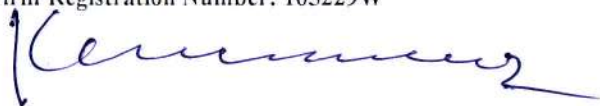
Annexure II- Restated Statement of Profit and Loss
(Amount in INR lakhs, unless otherwise stated)

Particulars	Note Nos.	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
A Income				
(a) Revenue from operations	23	10,641.51	10,997.91	13,803.25
(b) Other income	24	20.71	13.07	14.89
Total income (A)		<u>10,662.22</u>	<u>11,010.98</u>	<u>13,818.14</u>
B Expenditure				
(a) Cost of raw material consumed	25	4,531.19	6,376.37	7,337.50
(b) Purchases of stock-in-trade	26	1,088.47	658.37	2,343.64
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(182.85)	869.63	709.09
(d) Employee benefit expenses	28	382.05	313.28	248.31
(e) Finance cost	29	105.75	150.62	202.55
(f) Depreciation & amortization expense	30	407.69	275.03	275.78
(g) Other expenses	31	3,989.68	2,963.31	2,692.07
Total expenses (B)		<u>10,321.97</u>	<u>11,606.62</u>	<u>13,808.94</u>
C Profit/(Loss) before exceptional items and tax (A-B)		<u>340.25</u>	<u>(595.64)</u>	<u>9.20</u>
D Exceptional items		-	-	-
E Profit/(Loss) before tax (C-D)		<u>340.25</u>	<u>(595.64)</u>	<u>9.20</u>
F Tax expense:	32			
(a) Tax expense for current year		56.80	-	6.41
(b) MAT Credit Set Off				
(c) Short/(Excess) provision of earlier year		0.78	0.07	(5.36)
(d) Deferred tax		41.95	(144.63)	(28.01)
Net current tax expenses		<u>99.52</u>	<u>(144.56)</u>	<u>(26.96)</u>
G Profit/(Loss) for the period from continuing operations (E-F)		<u>240.73</u>	<u>(451.08)</u>	<u>36.16</u>
H Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains / (losses) on defined benefit plans		(7.58)	8.52	0.41
Income tax relating to items that will not be reclassified to profit or loss		2.11	(2.21)	(0.11)
Net other comprehensive income/loss not to be reclassified to profit or loss in subsequent periods		<u>(5.47)</u>	<u>6.30</u>	<u>0.30</u>
Total comprehensive income/loss for the year, net of tax		<u>235.26</u>	<u>(444.78)</u>	<u>36.46</u>
Earnings per share [nominal value of INR 1 per share]	33			
- Basic		0.10	(0.19)	0.02
- Diluted		0.10	(0.19)	0.02

The above statement should be read with Basis of Preparation, Significant Accounting Policies appearing in Annexure V, and Notes to Restated Financial Information appearing in Annexure VI.

This is the Restated Statement of Profit and Loss referred to in our report of even date.

For Kishan M. Mehta & Co.
Chartered Accountants
Firm Registration Number: 105229W



K.M.Mehta
Partner
M. No.: 013707
Place: Ahmedabad
Date: 26 /03/2024



For Vinny Overseas Limited



Hiralal Parekh
Managing Director
DIN: 00257758



Mularam Prajapati
CFO
PAN: ADGPP9482J



Latadevi Hiralal Parekh
Director
DIN: 02973048


Brinda D.Nathvani
Company Secretary
PAN: AVZPN1463E

Annexure III- Restated Statement of Cash Flows
(Amount in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
A) Cash flow from operating activities :			
Net Profit before tax	340.25	(595.64)	9.20
Adjustment for :			
Depreciation	407.69	275.03	275.78
Finance cost	104.21	146.50	199.58
Profit / Loss on sale of assets	(5.44)	(1.60)	2.82
Interest income	(11.92)	(2.57)	(2.47)
Re-measurement gains / (losses) on defined benefit plans	(7.58)	8.52	-
Provision for doubtful debts	-	-	0.86
Gratuity paid	(7.40)	(4.00)	-
Benefit due to actuarial valuation of gratuity	0.43	1.02	0.41
Operating profit before working capital changes	820.25	(172.75)	486.18
Changes in Working Capital			
(Increase)/Decrease in inventories	(137.08)	2,124.32	(493.72)
(Increase)/Decrease in trade receivables	(226.19)	642.81	51.84
Increase/(Decrease) in trade payables	44.61	(1,203.58)	640.18
Cash generated from operations before tax and exceptional item	501.58	1,390.80	684.47
Income tax paid (net)	(29.01)	(63.65)	(18.50)
Cash flow before exceptional item	472.58	1,327.15	665.98
Prior years adjustment	-	-	5.36
Net cash flow from operating activities	472.58	1,327.15	671.34
B) Cash Flow From Investing Activities :			
Purchase/Sale of property, plant and equipment	(587.19)	(276.12)	49.51
Interest received	11.92	2.57	2.47
(Increase)/Decrease in long term loans & advances	(94.28)	(2.88)	(0.16)
Net cash flow from investing activities	(669.55)	(276.44)	51.82
C) Cash Flow From Financing Activities :			
Issue of shares	-	-	-
Increase/(Decrease) in long term borrowings and working capital finance	301.43	(903.79)	(527.14)
Interest Paid	(104.21)	(146.50)	(199.58)
Net cash flow from financing activities	197.22	(1,050.29)	(726.72)
Net Increase/(Decrease) In Cash & Cash equivalents	0.24	0.42	(3.56)
Cash equivalents at the beginning of the year	5.51	5.09	8.65
Cash equivalents at the end of the year	5.75	5.51	5.09

Notes :-

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
I Component of Cash and Cash equivalents			
Cash on hand	4.17	5.38	2.95
Balances with banks	1.58	0.13	2.14

- 2.01 The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".
- 2.02 The above statement should be read with Basis of Preparation, Significant Accounting Policies appearing in Annexure V, and Notes to Restated Financial Information appearing in Annexure VI.
- 2.03 This is the Restated Statement of Cash Flow referred to in our report of even date.

For Kishan M. Mehta & Co.
Chartered Accountants
Firm Registration Number: 105229W



K.M.Mehta
Partner
M. No.: 013707
Place: Ahmedabad
Date: 26/03/2024



For Vinny Overseas Limited



Hiralal Parekh
Managing Director
DIN: 00257758



Mularam Prajapati
CFO
PAN: ADGPP9482J

98
Place: Ahmedabad



Latadevi Hiralal Parekh
Director
DIN: 02973048



Brinda D. Nathvani
Company Secretary
PAN: AVZPN1463E

Date: 23/03/2024

(A) Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance as per beginning of current reporting period	91,94,600	919.46	91,94,600	919.46	91,94,600	919.46
Changes in equity share capital due to prior period errors						
Restated balance at the beginning of the period	91,94,600	919.46	91,94,600	919.46	91,94,600	919.46
Changes in equity share capital during the current year	22,34,28,711	1,406.77	-	-	91,94,600	919.46
Balance as per end of current reporting period	23,26,23,311	2,326.23	91,94,600	919.46	91,94,600	919.46

(B) Other equity

Particulars	Reserves and Surplus			
	General Reserve	Securities Premium Reserve	Retained Earnings	Total Amount
Balance as at 1 April 2020	14.04	730.66	1,290.23	2,034.92
Changes during the year				
Profit for the year	-	-	36.16	36.16
Other comprehensive (loss) (net of tax) for the year	-	-	0.30	0.30
Balance as at 31 March 2021	14.04	730.66	1,326.69	2,071.38
Balance as at 31 March 2021	14.04	730.66	1,326.69	2,071.38
Changes during the year				
Profit for the year	-	-	(451.08)	(451.08)
Other comprehensive (loss) (net of tax) for the year	-	-	6.30	6.30
Balance as at 31 March 2022	14.04	730.66	881.91	1,626.60
Balance as at 31 March 2022	14.04	730.66	881.91	1,626.60
Changes during the year				
Profit for the year	-	-	240.73	240.73
Transfer to share capital	-	(730.66)	(676.12)	(1,406.77)
Other comprehensive (loss) (net of tax) for the year	-	-	(5.47)	(5.47)
Balance as at 31 March 2023	14.04	-	441.05	455.09

The above statement should be read with Basis of Preparation, Significant Accounting Policies appearing in Annexure V, and Notes to Restated Financial Information appearing in Annexure VI.
This is the Restated Statement of Changes in Equity referred to in our report of even date.

For Kishan M. Mehta & Co.
Chartered Accountants
Firm Registration Number: 105229W

K.M.Mehta
Partner
M. No.: 013707
Place: Ahmedabad
Date: 26/03/2024



For Vinny Overseas Limited

Hiralal Parekh
Managing Director
DIN: 00257758

Mularam Prajapati
CFO
PAN: ADGP9482J

Latadevi Hiralal Parekh
Director
DIN: 02973048

Brijda D.Nathvani
Company Secretary
PAN: AVZPN1463E

Place: Ahmedabad

Date: 23/03/2024

Background

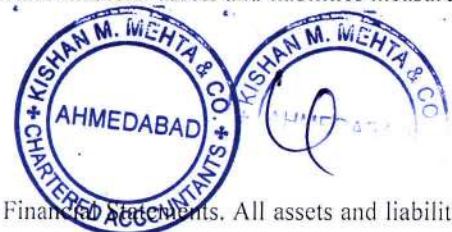
Vinny Overseas Limited is a public limited company incorporated in India having registered office address at B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat-382405. The company is primarily engaged in the business of manufacturing and trading of Cloths.

Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Company in preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation:

- i) The Restated Statement of Assets and Liabilities of the Company as on March 31, 2023, March 31, 2022 and March 31, 2021, and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021 and the annexure thereto are collectively, the "Restated Financial Information".
- ii) The figures for the year ended March 31, 2023 in the Restated Financial Information have been extracted by the management from the Ind AS Audited Financial Statements of the Company for the year ended March 31, 2023. The Audited Financial Statements of the Company for the year ended March 31, 2022 and March 31, 2021 are prepared by the company in accordance with Accounting Standards (referred to as "AS") but as the financial statement figures for the year ended March 31, 2023 are Ind AS figures, to make the figures of year ended March 31, 2022 and March 31, 2021 comparable with year ended March 31, 2023 figures, the year ended March 31, 2022 Ind AS figures in these Restated Financial Information are extracted from previous year column figures appearing in Ind AS Audited financial statements of year ended March 31, 2023 and the year ended March 31, 2021 Ind AS figures in these Restated Financial Information are provided by the management are adjusted figures applying Ind AS to the figures of audited financial statements for year ended March 31, 2021.
- iii) Statement of Compliance:
The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.
- iv) Historical cost convention:
The financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- v) The Financial Statements have been prepared on accrual and going concern basis.
- vi) The accounting policies are applied consistently to all the periods presented in the Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.



vii) **Recent accounting pronouncements:**

"Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:"

Ind AS 1 - Presentation of Financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

viii) The financial statements are presented in Indian Rupees and all values are rounded to the nearest Lakhs. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

b) **Foreign currency transactions:**

i) **Functional and presentation currency:**

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (₹), which is also the functional currency of the Company.

ii) **Transactions and balances:**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss except that they are deferred in other equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain | (loss) presented in the Statement of Profit and Loss are on a net basis within other income | (expense).

Non-monetary items that are measured at fair value that are denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are not revalued.

c) **Revenue recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:



(i) Sale of goods:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from the revenue.

(ii) Income from Job work/Services:

Revenue from job work is recognised on percentage of completion method based on the physical proportion of the Job Work and is net of rate differences & claims.

(iii) Interest:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest. Interest income is included under the head "Other Income" in the statement of profit and loss.

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

d) Taxes:

Tax expenses comprise current and deferred tax. Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidences that they can be realized against future taxable profits. Deferred tax assets are reviewed at each reporting date.

Minimum Alternate Tax paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of minimum alternate tax under the income tax act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" at each reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

e) **Government grants:**

- i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income
- iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

f) **Leases:**

As a lessee:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: i) the contract involves the use of an identified asset ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

The following amounts are included in the Balance Sheet :

Particulars	As at	As at	As at
	March 31, 2023 Rs.	March 31, 2022 Rs.	March 31, 2021 Rs.
Current Lease Liability	0.75	0.69	-
Non-current liability	56.32	57.07	-
Total	57.07	57.76	-



The following amounts are recognised in the statement of profit and loss :

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2021
	Rs.	Rs.	Rs.
Interest expense on lease liabilities	5.31	5.37	-
Amortisation of ROU Asset	2.34	2.34	-
Total	7.65	7.71	-

g) **Current / non-current classification:**

"The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period."

All other assets are classified as non-current.

"A liability is treated as current when it is:

- a) expected to be settled in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period."

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

h) **Property, plant and equipment:**

"All items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the of Profit and Loss. "

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value:



Depreciation on fixed assets is determined based on the estimated useful life of the assets using the straight line method as prescribed under the schedule II to the Companies Act, 2013. Individual assets costing less than Rs. 5000.00 or less are depreciated within a year of acquisition. Depreciation on assets purchased/sold during the period is proportionately charged.

ROU asset is amortized on a straight line basis over the period of lease. Intangible assets, if any, are amortized over their useful life on a straight line method.

Particulars	Useful life of assets
Factory Building	30 years
Office buildings	60 years
Plant & Equipment	15-20 years
Windmill	22 years
Electrical installation	10 years
Furniture & fixtures	10 years
Office equipments	5 years
Vehicles	8 years
Data processing equipments	3 years

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

i) Intangible assets:

Intangible assets acquired separately are measured, on initial recognition, at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The amortisation expense on intangible assets is recognised in the statement of profit and loss.

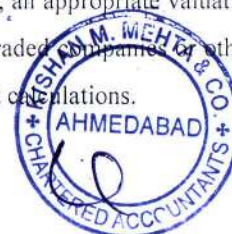
Intangible assets are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

j) Impairment of non-financial assets:

The Company assesses, at each reporting date, whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies and other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations.

Impairment losses are recognised in the statement of profit or loss.



An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses on assets no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

k) **Trade receivables:**

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss.

l) **Trade and other payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

m) **Inventories:**

Inventories are stated at lower of cost and Net Realisable value. Cost is calculated on specific identification basic except colour, chemicals, Fuel and consumable stores & spare on FIFO basis. Finished goods and Semi Finished goods include raw materials and other costs incurred in bringing the inventories to their present location.

Net realizable value is the estimated selling price in the ordinary course of business.

n) **Investments and other financial assets:**

Classification:

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- ii) Those measured at amortised cost

Debt instruments:

Initial recognition and measurement:

Financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial asset is recognised initially at fair value plus, in the case of financial asset not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.



Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss (FVPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Company has elected to present fair value gains and losses on such equity investments in other comprehensive income and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

"Investments in subsidiary companies, associate companies and joint venture company:

Investments in subsidiary companies, associate companies and joint venture company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate companies and joint venture company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss."

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Company determines whether there has been a significant increase in credit risk.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

Derecognition:

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset, the asset expires or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised through the Statement of Profit and Loss or other comprehensive income as applicable. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.



Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

"Financial liabilities:

i) Classification as debt or equity:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) Derecognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires."

o) **Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

p) **Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.



q) **Borrowings Costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

r) **Provisions & contingent liabilities:**

The company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a present obligation that cannot be estimated reliably or a possible or present obligation that may, but probably will not, require and outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

s) **Employee benefits:**

Retirement benefit in the form of contribution to provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company's liabilities towards gratuity payable to its employees are determined using the Actuarial Valuation Report which is obtained in accordance with Ind AS 19

Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

"Past service costs are recognised in profit or loss on the earlier of:

- a) The date of the plan amendment or curtailment, and
- b) The date that the Company recognises related restructuring costs"

"Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income."



t) **Earnings Per Share:**

"Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares."

u) **Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates, judgements and assumptions, which, by definition, will seldom equal the actual results. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Financial Statements. This Note provides an overview of the areas that involves a higher degree of judgements or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

"The areas involving critical estimates or judgements are:

- i) Estimation for income tax: Note 1 (d)
- ii) Estimation of useful life of tangible assets: Note 1 (h)
- iii) Estimation of provision for inventories: Note 1 (m)
- iv) Allowance for credit losses on trade receivables: Note 1 (k)
- v) Estimation of claims | liabilities: Note 1 (n)
- vi) Estimation of defined benefit obligations: Note 1 (s)
- vii) Fair value measurements: Note 38(ii)"



Note 1 Property, plant and equipment

PARTICULARS	As at 31 March 2023											Capital work-in-progress***		
	Factory building**	Factory office building**	Plant & equipment	Electrical installations	Furniture & fixtures	Computer & Audio visual	Office equipments	Vehicles*	Total					
Gross Carrying Amount														
Opening gross carrying amount	136.93	5.36	3,744.57	46.53	27.15	10.73	17.75	74.00	4,063.01	-	-	-	-	
Additions	17.76	-	459.77	4.25	5.66	4.68	8.96	89.07	590.15	-	-	-	3.04	
Disposals/Adjustment	-	-	(61.68)	-	-	-	-	-	(61.68)	-	-	-	-	
Closing Gross Carrying Amount	154.69	5.36	4,142.66	50.78	32.81	15.41	26.71	163.06	4,591.48	3.04				
Accumulated Depreciation														
Opening accumulated depreciation	48.88	2.58	2,033.99	41.39	16.94	9.05	12.17	28.56	2,193.56	-	-	-	-	
Depreciation charged during the year	5.50	0.22	380.79	0.81	1.16	1.13	2.80	12.95	405.35	-	-	-	-	
Disposals/Adjustments	-	-	(61.12)	-	-	-	-	-	(61.12)	-	-	-	-	
Closing Accumulated Depreciation	54.37	2.80	2,353.67	42.20	18.10	10.18	14.97	41.51	2,537.79	-				
Net Carrying Amount	100.32	2.56	1,789.00	8.58	14.71	5.23	11.74	121.56	2,053.69	3.04				
PARTICULARS	Factory building**	Factory office building**	Plant & equipment	Electrical installations	Furniture & fixtures	Computer & Audio visual	Office equipments	Vehicles*	Total	Capital work-in-progress***				
<i>As at 31 March 2022</i>														
Gross Carrying Amount														
Opening gross carrying amount	136.93	5.36	3,508.13	46.53	18.66	10.08	14.83	77.07	3,817.59	-	-	-	2.03	
Additions	-	-	268.03	-	8.49	0.65	3.20	-	280.37	-	-	-	-	
Disposals/Adjustment	-	-	(31.59)	-	-	-	(0.29)	(3.07)	(34.95)	-	-	-	(2.03)	
Closing Gross Carrying Amount	136.93	5.36	3,744.57	46.53	27.15	10.73	17.75	74.00	4,063.01	-				
Accumulated Depreciation														
Opening accumulated depreciation	41.59	2.36	1,812.39	40.72	16.38	7.78	10.99	23.94	1,956.14	-	-	-	-	
Depreciation charged during the year	7.29	0.22	252.60	0.68	0.56	1.27	1.45	7.69	271.76	-	-	-	-	
Disposals/Adjustments	-	-	(31.00)	-	-	-	(0.27)	(3.07)	(34.34)	-	-	-	-	
Closing Accumulated Depreciation	48.88	2.58	2,033.99	41.39	16.94	9.05	12.17	28.56	2,193.56	-				
Net Carrying Amount	88.05	2.78	1,710.58	5.14	10.21	1.68	5.58	45.44	1,869.45	-				



	Factory building**	Factory office building**	Plant & equipment	Electrical installations	Furniture & fixtures	Computer & Audio visual	Office equipments	Vehicles*	Total	Capital work-in-progress***
Gross Carrying Amount										
(Opening gross carrying amount)	136.93		3,494.41	46.53	18.66	9.51	14.19	168.14	3,893.74	0.25
Additions	-		13.72	-	-	0.57	0.64	34.78	49.71	1.78
Disposals/Adjustment	-		-	-	-	-	-	(125.85)	(125.85)	-
Closing Gross Carrying Amount	136.93	5.36	3,508.13	46.53	18.66	10.08	14.83	77.07	3,817.59	2.03
Accumulated Depreciation										
Opening accumulated depreciation	35.11	2.14	1,566.28	39.91	16.13	6.42	9.50	28.00	1,703.48	-
Depreciation charged during the year	6.48	0.22	246.11	0.80	0.25	1.36	1.49	17.98	274.69	-
Disposals/Adjustments	-	-	-	-	-	-	-	(22.04)	(22.04)	-
Closing Accumulated Depreciation	41.59	2.36	1,812.39	40.72	16.38	7.78	10.99	23.94	1,956.14	-
Net Carrying Amount	95.34	3.00	1,695.74	5.82	2.28	2.30	3.84	53.13	1,861.45	2.03

* Vehicles includes Motor Cars having net book value of Rs. 1,11,52,207/- (March 31, 2022- Rs. 34,60,196/-, March 31, 2021- Rs. 40,74,039) which are in the names of director.

** Factory Building & Factory office is constructed over leasehold land which is shown as Right-of-use asset in accordance with Ind AS 116 in Note 2 and over another rented land.

*** Refer Ageing of Capital Work-In-Progress in Note-35

Note 2

Right-of-use Assets	Factory Building & Factory Office	Total
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As at 31 March 2023

Gross Carrying Amount		
Opening gross carrying amount	58.39	58.39
Additions	-	-
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	58.39	58.39
Accumulated Depreciation		
Opening accumulated depreciation	2.34	2.34
Depreciation charged during the year	2.34	2.34
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	4.67	4.67
Net Carrying Amount	53.71	53.71



PARTICULARS

Factory Office

Total

As at 31 March 2022

Gross Carrying Amount		
Opening gross carrying amount	-	-
Additions	58.39	58.39
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	58.39	58.39
Accumulated Depreciation		
Opening accumulated depreciation	-	-
Depreciation charged during the year	2.34	2.34
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	2.34	2.34
Net Carrying Amount	56.05	56.05

Note 3

Intangible assets

PARTICULARS	Computer Software	Total
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As at 31 March 2023

Gross Carrying Amount		
Opening gross carrying amount	4.38	4.38
Additions	-	-
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	4.38	4.38
Accumulated Depreciation		
Opening accumulated depreciation	4.16	4.16
Depreciation charged during the year	-	-
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	4.16	4.16
Net Carrying Amount	0.22	0.22

PARTICULARS	Computer Software	Total
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As at 31 March 2022

Gross Carrying Amount		
Opening gross carrying amount	4.38	4.38
Additions	-	-
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	4.38	4.38
Accumulated Depreciation		
Opening accumulated depreciation	3.23	3.23
Depreciation charged during the year	0.94	0.94
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	4.16	4.16
Net Carrying Amount	0.22	0.22



PARTICULARS	Computer Software	Total
<i>As at 31 March 2021</i>		
Gross Carrying Amount		
Opening gross carrying amount	4.38	4.38
Additions	-	-
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	4.38	4.38
Accumulated Depreciation		
Opening accumulated depreciation	2.14	2.14
Depreciation charged during the year	1.09	1.09
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	3.23	3.23
Net Carrying Amount	1.16	1.16

* Refer Note 16 for assets offered to banks as security.



Note 4 Other non-current financial assets

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Security deposits	41.98	45.70	42.39
Fixed deposit as margin for bank guarantee	4.01	-	10.16
Total	45.98	45.70	52.55

Note 5 Deferred tax balances

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Accelerated depreciation for tax purposes	196.30	213.12	229.71
Items disallowed u/s 43B of Income Tax Act, 1961	(23.72)	(13.83)	(14.55)
Loss of current year to date figures	-	(124.80)	-
Amortisation of ROU	(2.97)	(1.40)	-
Finance charge on lease liabilities	(1.30)	(0.61)	-
Reversal of annual lease payments	3.34	1.56	-
Reversal of processing fees	1.62	1.51	1.51
Amortisation of processing fees	(1.50)	(1.00)	0.07
Unwinding of interest on staff loan	0.34	0.19	0.05
Amortisation/Reversal of processing fees	(0.29)	(0.14)	(0.04)
Provision for doubtful debt	(6.84)	(6.28)	(6.02)
MAT credit entitlement	(171.95)	(115.16)	(115.16)
Total (Net)	(7.00)	(46.84)	95.58

Movement in deferred tax assets and liabilities

Particulars	As at 31 March	Charge/(credit) in	Charge/(credit) in	As at 31 March
	2022	the Statement of	Other	2023
		Profit and Loss	Comprehensive	
Deferred tax liabilities/(assets)				
Accelerated depreciation for tax purposes	213.12	(16.82)	-	196.30
Items disallowed u/s 43B of Income Tax Act, 1961	(13.83)	(7.79)	(2.11)	(23.72)
Loss of current year to date figures	(124.80)	124.80	-	-
Amortisation of ROU	(1.40)	(1.58)	-	(2.97)
Finance charge on lease liabilities	(0.61)	(0.69)	-	(1.30)
Reversal of annual lease payments	1.56	1.78	-	3.34
Reversal of processing fees	1.51	0.11	-	1.62
Amortisation of processing fees	(1.00)	(0.50)	-	(1.50)
Unwinding of interest on staff loan	0.19	0.15	-	0.34
Amortisation/Reversal of processing fees	(0.14)	(0.15)	-	(0.29)
Provision for doubtful debt	(6.28)	(0.56)	-	(6.84)
MAT credit entitlement	(115.16)	(56.80)	-	(171.95)
	(46.84)	41.95	(2.11)	(7.00)

Movement in deferred tax assets and liabilities

Particulars	As at 31 March	Charge/(credit) in	Charge/(credit) in	As at 31 March
	2021	the Statement of	Other	2022
		Profit and Loss	Comprehensive	
Deferred tax liabilities/(assets)				
Accelerated depreciation for tax purposes	229.71	(16.59)	-	213.12
Items disallowed u/s 43B of Income Tax Act, 1961	(14.55)	(1.49)	2.21	(13.83)
Loss of current year to date figures	-	(124.80)	-	(124.80)
Amortisation of ROU	-	(1.40)	-	(1.40)
Finance charge on lease liabilities	-	(0.61)	-	(0.61)
Reversal of annual lease payments	-	1.56	-	1.56
Reversal of processing fees	1.51	-	-	1.51
Amortisation of processing fees	0.07	(1.07)	-	(1.00)
Unwinding of interest on staff loan	0.05	0.14	-	0.19
Amortisation/Reversal of processing fees	(0.04)	(0.10)	-	(0.14)
Provision for doubtful debt	(6.02)	(0.26)	-	(6.28)
MAT credit entitlement	(115.16)	-	-	(115.16)
	95.58	(144.63)	2.21	(46.84)

Movement in deferred tax assets and liabilities

Particulars	As at 31 March	
	2021	2022
Deferred tax liabilities/(assets)		
Depreciation	229.71	
Ind AS Adjustment	(4.42)	
Deferred tax assets		
Gratuity	14.55	(14.55)
Net MAT Credit		
MAT Credit	119.48	
Less: Transferred to current Tax	4.32	(115.16)
		95.58

Note 6 Other non-current assets

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Capital advance	51.39	33.66	35.68
Total (Net)	51.39	33.66	35.68



Note 7 Inventories

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
<i>(At lower of cost and net realizable value)</i>			
Colours & Chemicals	490.04	448.47	455.95
Raw material (include goods in transit)	111.72	134.64	1,412.95
Finished goods	151.16	59.87	215.71
Semi finished goods	155.46	63.90	755.42
Stock-in-trade	-	-	22.26
Fuel	24.19	42.48	28.79
Consumable, Stores & Spares	44.62	90.75	73.33
Total	977.18	840.10	2,964.42

Method of Valuation of inventory for all above categories of inventory is lower of cost or net realizable value.

Inventories are stated at cost or net realisable value whichever is lower. Cost is calculated on specific identification basis except colour, chemicals, fuel and consumable stores & spares on FIFO basis. Finished goods and Semi Finished goods include raw material and other costs incurred in bringing the inventories to their present location. Scrap is valued at net realizable value.

Inventories have been offered as security to bank. - Refer Note 16

Note 8 Trade receivables

(i) Details of Trade receivables

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Trade receivables			
Considered good	2,194.53	1,899.00	2,750.34
Considered doubtful	24.59	24.16	23.14
Less : Allowance for doubtful receivables	(24.59)	(24.16)	(23.14)
	2,194.53	1,899.00	2,750.34

The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers wherever necessary.

Trade receivables have been offered as security to bank. - Refer Note 16

(ii) Summary of movement in allowance for doubtful trade receivables

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Balance at the beginning of the year	(24.16)	(23.14)	-
Movement during the year	(0.43)	(1.02)	(23.14)
Less : Write off of bad debts	-	-	-
Balance at the end of the year	(24.59)	(24.16)	(23.14)

(iii) Trade receivables ageing schedule:

At the end of the year

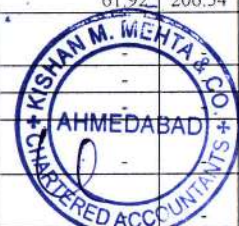
As at 31 March 2023

Particulars	Unbilled revenue	Not due	Less than 6 months	6 Month to 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed trade receivables – considered good	-	-	2,085.38	73.11	38.66	17.00	-	2,214.16
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	4.96	4.96
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	-	-	2,085.38	73.11	38.66	17.00	4.96	2,219.12
Allowance for doubtful trade receivables	-	-	-	-	-	-	-	24.59
Net Total	-	-	2,085.38	73.11	38.66	17.00	4.96	2,194.53

At the end of the year

As at 31 March 2022

Particulars	Unbilled revenue	Not due	Less than 6 months	6 Month to 1 year	1-2 years	2-3 years	More than 3 Years	Gross
(i) Undisputed trade receivables – considered good	-	-	1,649.59	61.92	206.54	0.14	-	1,918.20
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	4.96	4.96
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	-	-	1,649.59	61.92	206.54	5.11	-	1,923.16
Allowance for doubtful trade receivables	-	-	-	-	-	-	-	24.16
Net Total	-	-	1,649.59	61.92	206.54	5.11	-	1,899.00



At the end of the year

As at 31 March 2021

Particulars	Unbilled revenue	Not due	Less than 6 months	6 Month to 1 year	1-2 years	2-3 years	More than 3 Years	Gross
(i) Undisputed trade receivables – considered good	-	-	2,761.35	0.13	12.00	-	-	2,773.49
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	-	-	2,761.35	0.13	12.00	-	-	2,773.49
Allowance for doubtful trade receivables	-	-	-	-	-	-	-	23.14
Net Total	-	-	2,761.35	0.13	12.00	-	-	2,750.34

Note 9 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Cash on hand	4.17	5.38	2.95
Balances with banks	1.58	0.13	2.14
Total	5.75	5.51	5.09

Note 10 Short-term loans and advances

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<i>Unsecured, considered good</i>			
Loans to others	100.00	-	0.84
Loan to employees	1.06	6.78	3.05
Total	101.06	6.78	3.89

Note 11 Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Export incentive receivable	-	3.42	5.58
Accrued jobwork	171.18	186.87	127.94
Accrued income	8.18	9.87	5.74
Total	179.36	200.16	139.25

Note 12 Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Current tax assets	153.71	182.27	118.69
Total	153.71	182.27	118.69

Note 13 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Advance to suppliers & others	125.13	193.35	0.01
GST receivables	321.40	324.85	362.19
Prepaid expenses	16.45	11.33	12.38
Unamortised employee benefit expense	0.28	0.70	0.20
Total	463.26	530.24	374.78



Note 14

Particulars	Equity Share capital		
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Authorised			
Number of shares	25,00,00,000	1,25,00,000	1,25,00,000
Equity shares of Rs.10 each	-	1,250.00	1,250.00
Equity shares of Rs.1 each	2,500.00	-	-
Issued			
Number of shares	23,26,23,311	91,94,600	91,94,600
Equity shares of Rs.10 each fully paid up	-	919.46	919.46
Equity shares of Rs.1 each fully paid up	2,326.23	-	-
Subscribed & Paid up			
Number of shares	23,26,23,311	91,94,600	91,94,600
Equity shares of Rs.10 each fully paid up	-	919.46	919.46
Equity shares of Rs.1 each fully paid up	2,326.23	-	-

Terms/Rights attached to Shares :

The company has only one class of equity share. Each holder of Equity Shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company the holders of equity shares will be entitled to remaining assets after payment or distribution of all liabilities and afterwards to preference shareholders. The distribution to equity share holders will be in proportion to the number of Equity Shares held by the Equity Shareholders.

Particulars	Reconciliation of the number of equity shares outstanding at the beginning and end of the reporting period /		
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the period /	91,94,600	91,94,600	91,94,600
Add: Issued during the year as bonus shares (Refer Note)	1,40,67,731	-	-
Add: Increase of shares due to share split (Refer Note)	20,93,60,980	-	-
Balance at the end of the period / year	23,26,23,311	91,94,600	91,94,600

The Company has allotted 9,19,457 fully paid up equity share of face value of ₹10 each during the quarter ended June 30, 2022 pursuant to bonus issue approved by shareholders on May 15, 2022. The bonus share were issued by capitalisation of share premium and surplus of profits and loss. Bonus share of 1 equity share for every 10 shares held.

Further, Company has allotted 1,31,48,274 fully paid up equity share of face value of ₹10 each during the quarter ended March 31, 2023 pursuant to bonus issue approved by shareholders on February 14, 2023. The bonus share were issued by capitalisation of share premium and surplus of profits and loss. Bonus share of 13 equity share for every 10 shares held.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

Further, Company has sub-divided its 2,32,62,311 equity shares having existing face value of ₹10 each into 23,26,23,311 equity share having face value of ₹1 per equity during the quarter ended March 31, 2023 approved by shareholders on February 14, 2023.

Details of shareholders holding more than 5 percent of equity shares in the Company:

Name of Shareholders	As at		
	31 March 2023	31 March 2022	31 March 2021
Hiralal Jagdishchand Parekh	7,04,45,320	27,84,400	27,78,400
% Holding	30.28%	30.28%	30.22%
Vandini Sumanth Chowdhary	1,55,34,200	6,14,000	6,14,000
% Holding	6.68%	6.68%	6.68%
Nishita Saurabh Shah	1,35,10,200	5,34,000	5,34,000
% Holding	5.81%	5.81%	5.81%
Latadevi Hiralal Parekh	2,53,60,720	10,02,400	10,02,400
% Holding	10.90%	10.90%	10.90%
Hiralal Jagdishchand Parekh HUF	2,22,13,400	8,78,000	8,78,000
% Holding	9.55%	9.55%	9.55%

Shareholding of Promoters

Shares held by promoters at the end of the year			As at 31 March 2023
Promoter's name	No. of Shares	% of total shares	% change during the year
Hiralal Jagdishchand Parekh	7,04,45,320	30.28%	0.00%
Shares held by promoters at the end of the year			As at 31 March 2022
Promoter's name	No. of Shares	% of total shares	% change during the year
Hiralal Jagdishchand Parekh	27,84,400	30.28%	-0.06%
Shares held by promoters at the end of the year			As at 31 March 2021
Promoter's name	No. of Shares	% of total shares	
Hiralal Jagdishchand Parekh	27,78,400	30.22%	

Promoter's name is as per information submitted by company with Stock Exchanges and accordingly promoters group names are not included herein.

Note 15

Particulars	Other equity		
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Reserves and surplus [Refer Note 15(i)]	455.09	1,626.60	2,071.38
Total	455.09	1,626.60	2,071.38



(i) Reserves and surplus	Particulars	As at	As at	As at
		31 March 2023	31 March 2022	31 March 2021
Securities premium				
	Balance as per beginning of current reporting period	730.66	730.66	730.66
	Add: Premium received on issue of shares	(730.66)	-	-
	Balance as per end of current reporting period (A)	-	730.66	730.66
General reserves				
	Balance as per beginning of current reporting period	14.04	14.04	14.04
	Add: Premium received on issue of shares	-	-	-
	Balance as per end of current reporting period (B)	14.04	14.04	14.04
Retained earnings				
	Balance as per beginning of current reporting period	881.91	1,326.69	1,290.23
	Add: Profit for the year	240.73	(451.08)	36.16
	Less: Excess amount paid for acquisition	-	-	-
	Less: Pre acquisition profits	-	-	-
	Less: Bonus issue	-	-	-
	Add/Less: Re-measurement losses on defined benefit plans	(5.47)	6.30	0.30
	Less: Transfer to share capital	(676.12)	-	-
	Balance as per end of current reporting period (C)	441.05	881.91	1,326.69
	Total (A+B+C)	455.09	1,626.60	2,071.38

Nature and purpose of reserves

General reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Security premium

The amount received in excess of face value of the equity shares, in relation to issuance of equity, is recognised in Securities Premium Reserve. It is utilised in accordance with the provisions of the Companies Act, 2013

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions made to the shareholders.

Note 16

Borrowings

(i) Long-term borrowings	Particulars	As at	As at	As at
		31 March 2023	31 March 2022	31 March 2021
Secured Loan				
	- From bank	409.41	294.45	203.79
		409.41	294.45	203.79
Unsecured Loan				
	- From Directors	176.71	319.72	965.05
	- From Body corporates	71.99	69.18	98.72
		248.69	388.90	1,063.77
	Total	658.10	683.34	1,267.56

(for terms and security details - refer Note 16(iii))

(ii) Short-term borrowings	Particulars	As at	As at	As at
		31 March 2023	31 March 2022	31 March 2021
Secured Loan				
	- Current maturities of long term	198.31	254.51	219.81
	- From bank (Working Capital Facility)	558.82	474.49	728.76
		757.13	729.00	948.57
Unsecured Loan				
	- From related parties	298.54	-	-
	- From body corporates	-	-	100.00
		298.54	-	100.00
	Total	1,055.67	729.00	1,048.57



NAME OF LENDER	NATURE OF FACILITY / ACCOUNT	DATE OF SANCTON	SANCTIONED AMOUNT	SECURITIES OFFERED	RE-PAYMENT PERIOD	RATE OF INTEREST	OUTSTANDING AMOUNT		
							31-03-2023	31-03-2022	31-03-2021
SECURED LOAN									
HDFC BANK LTD C C	CASH CREDIT	31-10-2019	1160.00	Hypothecation of Plant & Machinery, stocks and book debts and collaterally secured by way of charge of property, construction on land in the name of the director at Survey No.309 having FP No. 27/1 & 27/2 at Narol Ahmedabad and further guaranteed by four of the directors)	N.A.	Varying Rate of Interest	558.82	474.49	728.76
HDFC BANK WCTL (TERM LOAN) 83582140	WCTL TERM LOAN	21-12-2018	200.00	Hypothecation of Plant & Machinery, stocks and book debts and collaterally secured by way of charge of property, construction on land in the name of the director at Survey No.309 having FP No. 27/1 & 27/2 at Narol Ahmedabad and further guaranteed by four of the directors)	07/02/2019 TO 07/01/2022	Varying Rate of Interest	0.00	0.00	60.65
HDFC BANK TL-600 (TERM LOAN) 83043213	TERM LOAN	08-02-2018	600.00	Hypothecation of Plant & Machinery, stocks and book debts and collaterally secured by way of charge of property, construction on land in the name of the director at Survey No.309 having FP No. 27/1 & 27/2 at Narol Ahmedabad and further guaranteed by four of the directors)	07/04/2018 TO 07/04/2023	Varying Rate of Interest	4.33	154.53	290.65
HDFC BANK TL-300 (TERM LOAN)	TERM LOAN	12-12-2019	300.00	Hypothecation of Plant & Machinery, stocks and book debts and collaterally secured by way of charge of property, construction on land in the name of the director at Survey No.309 having FP No.	07/02/2020 TO 07/03/2025	Varying Rate of Interest	127.80	87.57	50.24
HDFC BANK GECL (TERM LOAN)	TERM LOAN GECL	25-05-2021	250.00	Hypothecation of Plant & Machinery, stocks and book debts and collaterally secured by way of charge of property, construction on land in the name of the director at Survey No.309 having FP No. 27/1 & 27/2 at Narol Ahmedabad and further guaranteed by four of the directors)	07/07/2021 TO 07/07/2025	Varying Rate of Interest	194.82	250.00	0.00
HDFC BANK SOLAR (TERM LOAN)	TERM LOAN	18-09-2021	50.00	Hypothecation of Plant & Machinery, stocks and book debts and collaterally secured by way of charge of property, construction on land in the name of the director at Survey No.309 having FP No. 27/1 & 27/2 at Narol Ahmedabad and further guaranteed by four of the directors)	07/11/2021 TO 07/01/2027	Varying Rate of Interest	34.61	42.24	0.00
HDFC BANK TL-300 (TERM LOAN)	TERM LOAN	19-01-2023	300.00	Hypothecation of Plant & Machinery, stocks and book debts and collaterally secured by way of charge of property, construction on land in the name of the director at Survey No.309 having FP No. 27/1 & 27/2 at Narol Ahmedabad and further guaranteed by four of the directors)	07/03/2023 TO 07/10/2028	Varying Rate of Interest	172.91	0.00	0.00
TOTAL							1093.29	1008.82	1130.31
CAR LOAN									
KOTAK MAHINDRA BANK LTD	CAR LOAN	25-01-2021	23.50	Vehicle	25/01/2021 TO 01/01/2024	Varying Rate of Interest	6.85	14.62	22.05
HDFC BANK LTD	CAR LOAN	26-09-2022	75.00	Vehicle	05/11/2022 TO 05/01/2026	Varying Rate of Interest	66.40	0.00	0.00
TOTAL							73.25	14.62	22.05
TOTAL SECURED LOAN							1166.54	1023.45	1152.36



UNSECURED LOAN											
HIRALAL JAGDISHCHAND PAREKH	DEPOSIT	N.A	N.A	N.A	Long term for one year and short term on demand	6%	187.81	14.04	560.83		
LATADEVI HIRALAL PAREKH	DEPOSIT	N.A	N.A	N.A	Long term for one year and short term on demand	6%	93.07	7.23	257.64		
VANDANESUMANTH CHOUDHARY	DEPOSIT	N.A	N.A	N.A	Long term for one year and short term on demand	6%	20.83	21.64	20.41		
NISHITA S SHAH	DEPOSIT	N.A	N.A	N.A	Long term for one year and short term on demand	6%	155.88	89.24	84.37		
HIRALAL JAGDISHCHAND HUF	DEPOSIT	N.A	N.A	N.A	Long term for one year and short term on demand	6%	17.66	187.56	141.80		
MOHANLAL MALAVIRCHAND IMPEX PRIVATE LIMITED	DEPOSIT	N.A	N.A	N.A	Long term for one year and short term on demand	6%	71.99	69.18	66.22		
SHUBHILABH MERCANTILE LTD	DEPOSIT	N.A	N.A	N.A	Long term for one year and short term on demand	6%	0.00	0.00	32.50		
TOTAL UNSECURED LOAN								547.23	388.90	1163.77	
GRAND TOTAL								1713.77	1412.34	2316.13	

Note 17

Lease liabilities

(i) Non-current lease liabilities	Particulars	As at	As at	As at
		31 March 2023	31 March 2022	31 March 2021
Liability of lease		56.32	57.07	-
Total		56.32	57.07	-
(ii) Current lease liabilities	Particulars	As at	As at	As at
		31 March 2023	31 March 2022	31 March 2021
Liability of lease		0.75	0.69	-
Total		0.75	0.69	-

Note 18

Long term provisions

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Provision for employee benefits - Gratuity	28.92	31.70	35.23
Total	28.92	31.70	35.23

Note 19

Trade payables

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
For Goods & Services			
- Micro, small and medium enterprises	-	-	-
- Others	1,630.62	1,548.79	2,752.77
	1,630.62	1,548.79	2,752.77
Further classified to:			
- Related party	-	-	-
- Others	1,630.62	1,548.79	2,752.77
	1,630.62	1,548.79	2,752.77

The disclosure under Micro, small and medium Enterprise Development Act, 2006 in respect of the amounts payable to micro and small enterprises as at 31st March, 2023, 31st March, 2022, and 31st March, 2021 has been made in the financials statements based on information received and on the basis of such information the amount due to small and micro enterprises is Nil /- as on 31st March, 2023, 31st March, 2022, and 31st March, 2021. No interest is paid or payable to such enterprises. Auditors have relied on the same.

Trade payables ageing schedule:

At the end of the year As at 31 March 2023

Particulars	Not due for payment	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 Year	
MSME	-	-	-	-	-	-
Others	100.41	1,503.43	25.61	1.17	-	1,630.62
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-



At the end of the year

As at 31 March 2022

Particulars	Not due for payment	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 Year	
MSME	-	-	-	-	-	-
Others	84.32	1,433.94	28.38	1.59	0.57	1,548.79
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

At the end of the year

As at 31 March 2021

Particulars	Not due for payment	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 Year	
MSME	-	-	-	-	-	-
Others	80.49	2,641.60	28.74	1.81	0.14	2,752.77
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Note 20

Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Accrued interest but not due on	25.09	56.57	78.07
Total	25.09	56.57	78.07

Note 21

Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Advance from customers	1.38	8.66	2.19
Statutory dues	15.03	20.72	17.78
Creditors for capital goods	1.97	11.89	-
Total	18.38	41.28	19.97

Note 22

Short term provisions

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Provision for employee benefit expense - Provision for gratuity	34.70	21.48	20.74
Total	34.70	21.48	20.74



Note 23 Revenue from operations

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Manufacturing sales - Cloth	2,652.06	7,200.49	9,020.45
Trading sales - Cloth & Chemicals	1,392.72	681.53	2,341.25
Processing job charges	6,586.78	3,109.42	2,432.08
Other operating income			
Export benefits	9.95	6.47	9.47
Total	10,641.51	10,997.91	13,803.25

Note 24 Other income

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Interest income			
Interest income from bank on:			
(i) Deposits	0.18	2.05	2.31
(ii) Other balances	-	-	-
Interest income from loan	3.45	-	-
Interest on torrent deposit	1.42	-	-
Interest on Income tax refund	6.38	-	-
Interest income on loan given to employees	0.48	0.52	-
Other Non-operating Income			
Liability written back	3.35	8.10	2.63
Profit on sale of property, plant & equipment	5.44	1.60	-
Export promotion capital goods income	-	-	9.79
Other	-	0.80	0.16
Total	20.71	13.07	14.89

Note 25 Cost of raw material consumed

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Raw Materials			
Opening stock	134.64	1,412.95	352.49
Add: Purchase	1,848.52	3,400.38	6,850.57
	1,983.16	4,813.33	7,203.06
Less: Closing stock	(111.72)	(134.64)	(1,412.95)
Raw Materials Consumed	1,871.44	4,678.69	5,790.11
Colour & Chemicals Consumed			
Opening Stock	448.47	455.95	312.28
Add: Purchases	2,707.37	1,692.62	1,691.06
Less: Closing Stock	(490.04)	(448.47)	(455.95)
Less: Purchase Return	-	(0.57)	-
Less: Discount	(6.04)	(1.86)	-
Colour & Chemicals Consumed	2,659.75	1,697.68	1,547.39
Total	4,531.19	6,376.37	7,337.50



Note 26	Purchases of stock-in-trade			
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Purchases	1,088.47	658.37	2,343.64
	Total	1,088.47	658.37	2,343.64

Note 27	Changes in inventories of finished goods, work-in-progress and stock-in-trade			
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Stock in trade			
	Opening Stock of work in progress	63.90	755.42	1,555.24
	Opening Stock of finished goods	59.87	215.71	147.25
	Opening Stock of trading goods	-	22.26	-
	Closing Stock of work in progress	155.46	63.90	755.42
	Closing Stock of finished goods	151.16	59.87	215.71
	Closing Stock of trading goods	-	-	22.26
	Total	(182.85)	869.63	709.09

Note 28	Employee benefit expenses			
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Salaries & wages	300.94	236.75	184.37
	Remuneration to executive directors	68.40	68.40	54.30
	Contribution to provident fund and other funds	6.20	1.77	1.76
	Employees' welfare expenses	6.01	5.97	7.34
	Amortisation of employee benefit asset	0.50	0.39	-
	Gratuity expense	-	-	0.41
	Ind AS Adjustment	-	-	0.12
	Total	382.05	313.28	248.31

Note 29	Finance cost			
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Interest expense	104.21	146.50	199.58
	Amortisation of loan processing expense	1.54	4.12	-
	Ind As adjustments	-	-	2.97
	Total	105.75	150.62	202.55

Note 30	Depreciation & amortization expense			
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Depreciation & amortization expense	407.69	275.03	275.78
	Total	407.69	275.03	275.78



Note 31 **Other expenses**

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
MANUFACTURING EXPENSES:			
Job charges	5.27	25.01	203.44
Maintainance & Repairs	138.81	117.60	117.74
Consumable stores & Spares	226.97	151.30	104.98
Screen frame & Design charges	161.89	105.51	88.78
Power & Fuel	2,090.48	1,443.40	988.47
Pollution control expenses	84.31	52.64	46.91
Laboratory testing expenses	1.66	0.31	0.23
Labour charges	836.74	662.56	663.69
Wind mill transmission charges	26.68	26.51	26.32
Factory rent	6.00	6.00	12.00
Factory rates & Taxes	11.81	11.70	9.36
Freight & Cartage	44.82	93.92	139.32
Total	3,635.44	2,696.45	2,401.23
OTHER EXPENSES:			
Insurance charges	14.36	15.34	27.51
Telephone expenses	1.48	1.34	1.77
Legal, Professional & Consultancy fees	32.75	14.45	18.12
Postage & Stationery expenses	4.73	3.62	3.52
Freight outward	25.35	28.89	36.12
Share issue expenses	9.38	-	-
Travelling expenses	6.18	1.10	1.20
Miscellaneous expenses	10.49	3.76	6.91
Computer expenses	2.33	1.94	2.30
Car expenses	1.27	1.11	2.42
Donation	1.11	-	1.00
Scooter expenses	1.46	1.28	1.05
Exchange rate variation	(1.32)	1.36	(0.46)
Truck & Tempo expenses	3.19	2.44	1.51
Packing material & Charges	90.56	58.37	59.34
Dalali & Commission	27.02	27.60	42.66
Vatav kasar (Net)	0.44	3.99	3.15
Bad debts	-	6.07	-
Provision for doubtful debt	0.43	1.02	-
Bank commission & Charges	9.73	5.89	6.89
Payment to auditors	8.47	6.77	6.64
Discount given on sales	104.86	80.53	51.10
Ind AS Adjustments (Provision)	-	-	0.86
Loss on sale of assets	-	-	2.82
Loss on fire	-	-	14.43
Total	354.25	266.86	290.84
Total	3,989.68	2,963.31	2,692.07

Note 31A **Auditor's remuneration:**

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Audit fees	4.50	3.00	3.00
Taxation Matters	1.93	1.75	1.78
Company Law Matters	0.25	-	-
Other Services & Reports	1.79	2.02	1.86
Total	8.47	6.77	6.64



Note 32 Tax expense

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
<i>Current tax:</i>			
- Current period/year	56.80	-	6.41
- Earlier year	0.78	0.07	(5.36)
<i>Deferred tax:</i>			
- Attributable to origination and reversal of temporary differen	41.95	(144.63)	(28.01)
Total tax expense recognized	99.52	(144.56)	(26.96)

Note 33 Earnings per share

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
(i) Profit for basic/diluted earning per share of face value of INR 10 each			
Profit for the period/year	240.73	(451.08)	36.16
(ii) Calculation of Weighted average number of equity shares for (basic and diluted)			
Number of equity shares at the beginning and end of the period/year	23,26,23,311	23,26,23,311	23,26,23,311
Earnings per share [nominal value of INR 1 per share]			
- Basic	0.10	(0.19)	0.02
- Diluted	0.10	(0.19)	0.02



Note 34

Segment information

In line with the Ind AS - 108 Operating Segments and on the basis of the review of operations being done by the senior management, the operations of the group fall under Textile Products which is considered to be only reportable segment by the Company.



At the end of the year

As at 31 March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1	1-2 year	2-3 year	More than 3	
Projects in progress	3.04	-	-	-	3.04
Projects temporarily suspended	-	-	-	-	-

At the end of the year

As at 31 March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1	1-2 year	2-3 year	More than 3	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

At the end of the year

As at 31 March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1	1-2 year	2-3 year	More than 3	
Projects in progress	1.78	0.25	-	-	2.03
Projects temporarily suspended	-	-	-	-	-



Note 36 Employee benefits

I. Defined contribution plans

The Company made contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner.

The expense recognised during the period towards defined contribution plan -

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Contribution to provident and other funds	6.20	1.77	1.76

II. Defined benefit plans

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company made provision for gratuity liability which is un funded. The scheme provides for payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and th related current service cost were measured using the Projected Unit Credit method as per actuarial valuation carried out at the balance sheet date.

The following tables sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the company's financial statements as at 31st March, 2023.

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Gratuity - Defined benefit obligation			
Opening balance	53.18	55.97	45.70
Gratuity cost charged to statement of profit and loss			
Service cost	8.03	7.70	8.63
Net interest expense	2.23	2.02	2.05
Transfer in / (out) obligation	-	-	-
Benefits paid	(7.40)	(4.00)	-
Sub-total included in statement of profit and loss	2.86	5.72	10.68
Benefit paid			
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	-	-
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(5.73)	(1.37)	1.68
Experience adjustments	13.31	(7.14)	(2.08)
Sub-total included in OCI	63.62	53.18	55.97

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Defined benefit obligation	63.62	53.18	55.97
Fair value of plan assets	-	-	-
Net Liability(Asset)	63.62	53.18	55.97

Significant estimates: Actuarial assumptions and sensitivity

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2023	31 March 2022	31 March 2021
Discount rate	7.30%	5.25%	4.25%
Future salary increase	5.50%	8.00%	8.00%
Attrition rate	25% P.a. at all ages	25% P.a. at all ages	25% P.a. at all ages
Mortality rate during employment	0.09%-1.12%	0.09%-1.12%	0.09%-1.12%



Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions	Impact on defined benefit obligation		
		For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Gratuity				
Discount rate	0.5% increase	-0.86%	-1.23%	-1.28%
	0.5% decrease	0.89%	1.27%	1.32%
Salary increase	0.5% increase	0.89%	1.21%	1.26%
	0.5% decrease	-0.88%	-1.19%	-1.23%
Withdrawal Rates	10% increase	-0.31%	-1.46%	-1.97%
	10% decrease	0.28%	1.57%	2.14%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2023	31 March 2022	31 March 2021
Gratuity			
Within the next 12 months (next annual reporting period)	34.70	21.48	20.74
More than 1 year	28.92	31.70	35.23
Total expected payments	63.62	53.18	55.97



Note 37 Statement Of Related Party Transaction

(i) Particulars of related parties and nature of relationships;

a) Holding Company	
b) Subsidiary Companies	
c) Associate Company	
d) Entities over which Key Management Personnel and their relatives are able to exercise significant influence	1 Mohanlal Mahavirchand Impex Pvt. 2 Pankaj Fabrics Company 3 Mohanlal Mahavirchand
e) Key Management Personnel & Relatives	1 Hiralal Jagdishchand Parekh 2 Latadevi Hiralal Parekh 3 Mr. Aditya Handa 4 Vandani Sumanth Choudhary 5 Nishita Saurabh Shah 6 Hiralal Jagdishchand HUF 7 Mularam Naruram Prajapati 8 Jagdish Mularam Prajapati 9 Pushpendrasingh 10 Brinda D.Nathvani 11 Bhumika Panwala

(ii) Transaction with Related Parties :

Sr. No.	Nature of Transaction	Relationship	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
1	Purchase Mohanlal Mahavirchand	(i)(d)	3.49	6.04	8.68
2	Remuneration/Professional Fee Hiralal Jagdishchand Parekh Latadevi Hiralal Parekh Nishita Saurabh Shah Mularam N Prajapati Jagdish M Prajapati Pushpendrasingh Brinda D.Nathvani Bhumika Panwala	(i)(e) (i)(e) (i)(e) (i)(e) (i)(e) (i)(e) (i)(e) (i)(e)	48.00 12.00 8.40 7.80 6.50 0.35 0.95 1.55	48.00 12.00 8.40 7.80 6.50 4.16 -	39.00 9.00 6.30 - - - -
3	Interest Expense Hiralal Jagdishchand Parekh Latadevi Hiralal Parekh Nishita Saurabh Shah Hiralal Jagdishchand HUF Vandani Sumanth Chawdhary Mohanlal Mahavirchand Impex Pvt.ltd	(i)(e) (i)(e) (i)(e) (i)(e) (i)(e) (i)(d)	0.89 0.70 8.76 7.65 1.28 4.36	27.24 10.94 5.44 10.56 1.32 4.23	39.96 20.90 5.16 8.13 1.23 4.01
4	Job Work Expenses Mohanlal Mahavirchand	(i)(d)	566.62	163.85	-
5	Rent Pankaj Fabrics Company Hiralal Jagdishchand Parekh	(i)(d) (i)(e)	6.00 6.00	6.00 6.00	6.00 6.00



6	Net Loan Taken				
	Hiralal Jagdishchand Parekh	(i)(e)	149.25	(583.75)	(63.50)
	Hiralal Jagdishchand HUF	(i)(e)	(179.40)	38.25	7.50
	Latadevi Hiralal Parekh	(i)(e)	76.00	(269.75)	12.87
	Nishita Saurabh Shah	(i)(e)	61.74	(0.29)	(1.50)
	Vandani Sumnath Chowdhary	(i)(e)	(2.00)	-	-
	Mohanlal Mahavirchand Impex Pvt.ltd	(i)(d)	(1.00)	(0.75)	(0.60)
7	Job Work Received				
	Mohanlal Mahavirchand	(i)(d)	-	-	83.40

(iii) Balances Outstanding at the end of the Year

Sr. No.	Particulars	Relationship	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
1	Interest Accrued but not due				
	Hiralal Jagdishchand Parekh	(i)(e)	0.80	24.52	36.96
	Latadevi Hiralal Parekh	(i)(e)	0.63	9.84	19.34
	Nishita Saurabh Shah	(i)(e)	7.88	4.90	5.16
	Hiralal Jagdishchand HUF	(i)(e)	6.89	9.50	7.52
	Vandani Sumanth Chawdhary	(i)(e)	1.15	3.81	1.23
	Mohanlal Mahavirchand Impex Pvt.ltd	(i)(d)	3.92	1.18	3.70
2	Remuneration Payables				
	Mularam N Prajapati	(i)(e)	0.58	0.56	-
	Jagdish M Prajapati	(i)(e)	0.50	0.40	-
	Pushpendrasingh	(i)(e)	-	0.32	-
	Brinda D.Nathvani	(i)(e)	0.25	-	-
3	Loan- Liability				
	Hiralal Jagdishchand Parekh	(i)(e)	187.81	14.04	560.83
	Hiralal Jagdishchand HUF	(i)(e)	17.66	187.56	141.80
	Latadevi Hiralal Parekh	(i)(e)	93.07	7.23	257.64
	Nishita Saurabh Shah	(i)(e)	155.88	89.24	84.37
	Vandani Sumnath Chowdhary	(i)(e)	20.83	21.64	20.41
	Mohanlal Mahavirchand Impex Pvt.ltd	(i)(d)	71.99	69.18	66.22



(i) Financial instruments measurements and disclosures

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Amortised Cost	Fair value through OCI	Amortised Cost	Fair value through OCI	Amortised Cost	Fair value through OCI
Financial Assets						
(i) Other non-current financial assets	45.98	-	45.70	-	52.55	-
(i) Trade receivables	2,194.53	-	1,899.00	-	2,750.34	-
(ii) Cash and cash equivalents	5.75	-	5.51	-	5.09	-
(iii) Loans	101.06	-	6.78	-	3.89	-
(iv) Other current financial assets	179.36	-	200.16	-	139.25	-
Total	2,526.68	-	2,157.15	-	2,951.13	-
Financial Liabilities						
(i) Borrowings	1,713.77	-	1,412.34	-	2,316.13	-
(ii) Lease liabilities	57.07	-	57.76	-	-	-
(iii) Trade payables	1,630.62	-	1,548.79	-	2,752.77	-
(iv) Other current financial liabilities	25.09	-	56.57	-	78.07	-
Total	3,426.56	-	3,075.47	-	5,146.97	-

(ii) Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 -- This includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded on the Stock Exchanges is valued using the closing price as at the reporting period.
- Level 2 -- The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.
- Level 3 -- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved, wherever required, for valuation of significant assets, such as properties, unquoted financial assets and significant liabilities. Involvement of external valuers is decided upon by the Company after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company, after discussions with its external valuers, determines which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

Carrying value and fair value

Given below is the comparison by class of the carrying value and fair value of the Company's financial instruments.

Particulars	Carrying value			Fair value		
	31 March 2023	31 March 2022	31 March 2021	31 March 2023	31 March 2022	31 March 2021
Financial Assets						
(i) Other non-current financial assets	45.98	45.70	52.55	45.98	45.70	52.55
(i) Trade receivables	2,194.53	1,899.00	2,750.34	2,194.53	1,899.00	2,750.34
(ii) Cash and cash equivalents	5.75	5.51	5.09	5.75	5.51	5.09
(iii) Loans	101.06	6.78	3.89	101.06	6.78	3.89
(iv) Other current financial assets	179.36	200.16	139.25	179.36	200.16	139.25
Total Financial Assets	2,526.68	2,157.15	2,951.13	2,526.68	2,157.15	2,951.13
Financial Liabilities						
(i) Borrowings	1,713.77	1,412.34	2,316.13	1,713.77	1,412.34	2,316.13
(ii) Lease liabilities	57.07	57.76	-	57.07	57.76	-
(iii) Trade payables	1,630.62	1,548.79	2,752.77	1,630.62	1,548.79	2,752.77
(iv) Other current financial liabilities	25.09	56.57	78.07	25.09	56.57	78.07
Total Financial Liabilities	3,426.56	3,075.47	5,146.97	3,426.56	3,075.47	5,146.97



The management assessed that cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities (excluding current maturities of long-term borrowings) approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Company's principal financial liabilities comprise of loans and borrowings, trade payables and other financial liabilities. The loans and borrowings are primarily taken to finance and support the Company's operations. The Company's principal financial assets include loans, cash and cash equivalents, trade receivables and other financial assets.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The risk management system is relevant to business reality, pragmatic and simple and involves the following:

Risk identification and definition: Focuses on identifying relevant risks, creating / updating clear definitions to ensure undisputed understanding along with details of the underlying root causes / contributing factors.

Risk classification: Focuses on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk interrelationships.

Risk assessment and prioritisation: Focuses on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.

Risk mitigation: Focuses on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.

Risk reporting and monitoring: Focuses on providing to the Board periodic information on risk profile evolution and mitigation plans.

(i) **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk, interest rate risk, currency risk and other price risk, such as equity price risk or Net asset value ("NAV") risk in case of investment in mutual funds. Financial instruments affected by market risk include investments, trade receivables, trade payables, loans and borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in basis points	Increase/(decrease) in profit before tax
31 March 2023		
Rupee borrowings	+50	(5.47)
	-50	5.47
31 March 2022		
Rupee borrowings	+50	(5.05)
	-50	(5.05)
31 March 2021		
Rupee borrowings	+50	(5.68)
	-50	(5.68)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not its functional currency (Rs). The risk also includes highly probable foreign currency cash flows.

As an estimation of the approximate impact of the foreign exchange rate risk, with respect to the Financial Statements, the Company has calculated the impact as follows:

Particulars	Foreign Currency Amount			Reporting Currency Amount		
	31 March 2023	31 March 2022	31 March 2021	31 March 2023	31 March 2022	31 March 2021
Accounts Receivable						
USD	1.05	0.14	-	86.22	11.83	-
Accounts Payable						
USD	-	-	-	-	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax
31 March 2023		
	5%	4.31
	-5%	(4.31)
31 March 2022		
	5%	0.59
	-5%	(0.59)
31 March 2021		
	5%	-
	-5%	-



(ii) **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

Trade receivables

Customer credit risk is managed by the Company's internal policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an credit rating credit assessment and credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. As at March 31, 2023, there were 3 customers with balances greater than Rs.100 lakhs accounting for more than 25.96% of the total amounts receivables. As at March 31, 2022 there were 7 customers with balances greater than Rs.100 lakhs accounting for more than 49.75% of the total amounts receivables. As at April 1, 2022 there were 4 customers with balances greater than Rs.100 lakhs accounting for more than 21.82% of the total amounts receivables.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Trade receivables are non-interest bearing and are generally on 30 days to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

(iii) **Liquidity risk**

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. It believes that current cash and cash equivalents, borrowings and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date

Particulars	On demand	Less than 1 Year	More than 1 Year	Total
As at 31 March 2023				
Borrowings (including current maturities of long-term borrowings)	558.82	496.85	658.10	1,713.77
Lease Liability	-	0.75	56.32	57.07
Trade & other payables	-	1,630.62	-	1,630.62
Other financial liabilities	-	25.09	-	25.09
As at 31 March 2022				
Borrowings (including current maturities of long-term borrowings)	474.49	254.51	683.34	1,412.34
Lease Liability	-	0.69	57.07	57.76
Trade & other payables	-	1,548.79	-	1,548.79
Other financial liabilities	-	56.57	-	56.57
As at 31 March 2021				
Borrowings (including current maturities of long-term borrowings)	728.76	219.81	1,267.56	2,216.13
Lease Liability	-	-	-	-
Trade & other payables	-	2,752.77	-	2,752.77
Other financial liabilities	-	78.07	-	78.07



Note 40 **Capital risk management**

The primary objective of capital management is to maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value, safeguard business continuity and support the growth of the Company. It determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. It is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes, within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Borrowings (Refer note 16)	1,713.77	1,412.34	2,316.13
Less: cash and cash equivalents (Refer note 10)	(5.75)	(5.51)	(5.09)
Net debt	1,708.03	1,406.83	2,311.04
Equity share capital (Refer note 13)	2,326.23	919.46	919.46
Other equity (Refer note 14)	455.09	1,626.60	2,071.38
Total capital	2,781.32	2,546.06	2,990.84
Capital and net debt	4,489.35	3,952.90	5,301.88
Gearing ratio	38.05%	35.59%	43.59%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023, March 31, 2022 and March 31, 2021.



These financial statements are the Company's first standalone financial statements prepared in accordance with Ind AS based on the permissible options and exemptions available to the Company in terms of Ind AS 101 'First time adoption of Indian Accounting standards'. For periods up to and including the year ended on March 31, 2022, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2023, together with the comparative period data as at and for the year ended March 31, 2022, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2021, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2021 and the financial statements as at and for the year ended March 31, 2022.

(a) Optional exemptions availed

1 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2 Fair value measurement of financial assets or financial liabilities

Company has elected to apply requirement in paragraph B5.1.2A of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind ASs.

(b) Applicable mandatory exceptions

Estimates

The estimates at April 1, 2021 and at March 31, 2022 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies, if any) apart from the following items where application of previous GAAP did not require estimation:

- ▶ Impairment of financial assets based on expected credit loss model

(c) Reconciliation between previous GAAP and Ind AS

1 Reconciliation of equity between previous GAAP and Ind AS

Particulars	As at 31 March 2022	As at 01 April 2021
Equity under previous GAAP	2,563.63	3,003.43
Impact of reversal/amortisation of loan processing charges	1.96	6.08
Impact of recognition of Provision for Doubtful Debts as per expected credit loss method	(24.16)	(23.14)
Impact of Recognition of Interest Income on loan given to employee/Amortisation of Employee benefit asset	0.17	0.05
Impact of recognition of Finance cost of lease payment/ Reversal of Lease Rent recognised as per IGAAP	0.63	-
Amortisation of ROU Asset	(2.34)	-
Deferred Tax on above Ind AS Adjustment	8.39	4.42
Deferred Tax on above Ind AS OCI Adj.	(2.21)	-
Equity as per Ind AS	2,546.06	2,990.84

2 Total comprehensive income reconciliation for the year ended March 31, 2022

Particulars	For the year ended 31 March 2022
Net profit under previous GAAP	(439.80)
Impact of reversal/amortisation of loan processing charges	(4.12)
Provision for Doubtful Debts as per expected credit loss method	(1.02)
Impact of Recognition of Interest Income on loan given to employee/Amortisation of Employee benefit asset	0.13
Impact of recognition of Finance cost of lease payment/ Reversal of Lease Rent recognised as per IGAAP	0.63
Amortisation of ROU Asset	(2.34)
Deferred Tax on above Ind AS Adjustment	3.96
Transfer of Employee Benefit Expense from P&L to OCI	(8.52)
Net loss under Ind AS	(451.08)
Other comprehensive income/(loss)	
Re-measurement gains / (losses) on defined benefit plans, net of tax	6.30
Total comprehensive loss under Ind AS	(444.78)



3 Unwinding of Interest Income on Staff Loans and amortisation of employee benefit expenses

Loans given to Employees of the Company at concessional rates or interest free is discounted at prevailing interest rates and recorded at fair value. The differential amount is recognised as unamortised employee benefit expenses and amortised over the period of loan. The interest will be charged at prevailing interest rates and credited to the statement of profit and loss.

4 Provision for ECL on Trade Receivables

Under previous GAAP, the Company was creating provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on ECL model. On the date of transition, ECL on trade receivables have been recognised in retained earnings and subsequent changes in ECL have been charged to the statement of profit and loss.

5 Amortisation of loan processing charges

Under previous GAAP, the loan processing charges were normally recognised as expense as and when incurred. Under Ind AS, borrowings have been measured at amortised cost using effective interest rate. This has resulted into amortisation of loan processing charges over the period of borrowings.

6 Recognition of Right-to-use (ROU) asset, Finance Cost and Depreciation

Under previous GAAP, operating leases were recorded as expense. Under Ind AS, present value of future cash outflow is recorded as ROU asset. Finance Cost and depreciation on the asset will be charged to the statement of profit & loss every year. Previously recorded lease rent is reversed.

7 Tax impacts on Ind AS adjustments

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in changes in the taxes. The resulting changes have been recognised in the retained earnings on the date of transition and the changes in the taxes in the subsequent periods are recognised in the statement of profit and loss or other comprehensive income, as the case may be.

8 Re-measurement gain / loss on defined benefit plan

The re-measurement losses arising primarily due to change in actuarial assumptions has been recognised in other comprehensive income under Ind AS as compared to statement of profit and loss under previous GAAP.

9 Cashflow reconciliation for the year ended March 31, 2023

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.



Note	42	Contingent liabilities				
		(i)	Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
		a.	Claim against the company not acknowledge as debts	-	8.54	8.54
		b.	Income Tax under appeal	48.89	48.89	48.89
		c.	Guarantee as Member of Narol Textile Infrastructure & Enviro Management	74.19	74.19	74.19
				123.08	131.63	131.63

(ii) Guarantee is given to a company u/s 25 of Companies Act, of proportionate share of financial assistant in favour of the said company for development of common infrastructure facility of effluent treatment.

Note	43	Commitments & Obligations				
			Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
			The estimated amount of Capital	310.00	88.00	115.11
				310.00	88.00	115.11

Note	44	FOB Values of Export				
			Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
			F.O.B. value of Exports	221.98	178.21	359.66
				221.98	178.21	359.66

Note	45	Expenditure in foreign currency				
			Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
			Travelling Expenses	0.70	0.07	0.27
			Others	2.27	-	-
				2.97	0.07	0.27

46 In the opinion of the management the balances shown under all the assets other than property, plant & Equipments have approximately the same realisable value as shown in these financial statement. Balances of parties are subject to confirmation.

47 The Manangement is of the opinion that as on the Balance sheet date, there are no indications of material impairment loss on property, Plant and Equipments , hence, the need to provide for impairment loss does not arise.

48 Additional Regulatory Requirements

i The company's immovable property being factory building is constructed on rented land and hence title deeds of immovable property are not applicable.

ii The Company has not revalued its property, plant and equipment or during the current or previous year.

iii The Company has not provided or given Loans or Advances in the nature of Loans granted to Promoters, Directors, Key Managerial Personnel and Related Parties either severally or jointly with any other person.

iv The Company has borrowings from a bank on the basis of security of current assets and quarterly returns or statement of current assets are filed by the company with bank but against the total sanctioned cash credit limit of Rs.11.60 crores , the company has not used even half of the limit sanctioned and therefore company has not provided full value of current assets in its quarterly statement to bank and therefore the quarterly statements/return are not comparable with books of accounts.

v The satisfaction of charge over the asstes of the company in favor of The Madhupura Merchantile Co. Op. Bank (bank) is not registered with registrar of companies of Rs. 72,00,000/- although the amount of loan had been repaid .The said Bank is under liquidation and therefore necessary process of law shall be followed after consultation with experts.

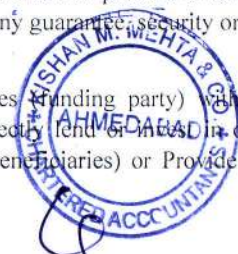
vi The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

vii The Company has no transactions with the companies struck off under the Act or Companies Act, 1956.

viii a) The company has not advanced or loaned or invested funds to any other persons or entities,including foreign entities (Intermediaries) with the understanding that the intermediary shall : Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or Provide any guarantee, security or like to or on behalf of the beneficiaries.

ix b) The company has not received any fund from any persons or entities, including foreign entities (Funding party) with the understanding (whether recorded in writing or wrotherwise) that the company shall: Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or Provide any guarantee, security or like to or on behalf of the beneficiaries.

x Previous year's figures have been regrouped or rearranged wherever considered necessary.



Particulars	Numerator	Denominator	As at	As at	% Change	Reasons ^a
			31 March 2023	31 March 2022	FY 23 - FY 22	FY 23 - FY 22
Current ratio	(Total current assets/Current liabilities)	Total current assets	1.47	1.53	-3.57%	-
Debt equity ratio	(Net debt/equity)	Net debt: Non-current borrowings- Deposits/Margin Money against Long Term Borrowings	0.24	0.27	-11.84%	-
Debt service coverage ratio	(EBIT/Net finance charges + Scheduled principal repayments of non current borrowings (excluding prepayments) during the period))	EBIT- Profit before taxes +/- (-) Exceptional items + Net finance charges	1.24	(1.20)	-203.05%	Due to increase in EBIT.
Return on equity ratio	Profit after tax (PAT)/Average Equity)	Profit after tax (PAT)	8.83%	-16.07%	-154.97%	Due to increase in PAT.
Inventory turnover ratio	(Sales (including sales & services)/Average Inventory)	Sales (including sales & services)	11.71	5.78	102.57%	Due to decrease in average stock.
Trade receivable turnover ratio	(Sales (including sales & services)/Average Debtors)	Sales (including sales & services)	5.20	4.73	9.90%	-
Trade payable turnover ratio	(Average Trade Payables/Expenses in days)	Average Trade Payables	6.17	5.20	18.69%	-
Net capital turnover ratio	Working Capital/Turnover	Working capital: Current assets - Current liabilities	8.26	5.94	39.06%	Due to decrease in average working capital.
Net profit ratio	(Net profit after tax/Turnover)	Net profit after tax	2.21%	-4.04%	-154.66%	Due to increase in net profit after tax.
Return on capital employed	(EBIT/Average capital employed)	EBIT- Profit before taxes +/- (-) Exceptional items + Net finance charges	10.55%	-9.61%	-209.85%	Due to increase in EBIT.
Return on investment	((Net gain/(loss) on sale+fair value changes of mutual funds)/Average investment funds in current and non-current investments)	((Net gain/(loss) on sale+fair value changes of mutual funds)	NA	NA	NA	-

Note: * Reason for variation are explained if variation exceeds 25% as compared to the preceding year.



Particulars	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% Change FY 22 - FY 21	Reasons**
Current ratio	(Total current assets/Current liabilities)	Total current assets	1.53	1.62	-5.67%	-
Debt equity ratio	(Net debt/equity)	Net debt: Non-current borrowings- Deposits/Margin Money against Long Term Borrowings	0.27	0.42	-36.10%	Due to reduction in borrowings during the year.
Debt service coverage ratio	(EBIT/Net finance charges + Scheduled principal repayments of non current borrowings (excluding prepayments) during the period))	EBIT: Profit before taxes -/(-) Exceptional items + Net finance charges	(1.20)	1.05	-21.41%	Due to net loss during the year.
Return on equity ratio	Profit after tax (PAT)/Average Equity	Profit after tax (PAT)	-16.07%	NA*	NA*	-
Inventory turnover ratio	(Sales (including sales & services)/Average Inventory)	Sales (including sales & services)	5.78	NA*	NA*	-
Trade receivable turnover ratio	(Sales (including sales & services)/Average Debtors)	Sales (including sales & services)	4.73	NA*	NA*	-
Trade payable turnover ratio	(Average Trade Payables/Expenses in days)	Average Trade Payables	5.20	NA*	NA*	-
Net capital turnover ratio	Working	Working capital: Current assets - Current	5.94	5.67	4.79%	-
Net profit ratio	(Net profit after tax/T turnover)	Net profit after tax	-4.04%	0.26%	-1655.46%	Due to net loss during the year.
Return on capital employed	(EBIT/Average capital employed)	EBIT: Profit before taxes +/-(-) Exceptional items + Net finance charges	-9.61%	3.99%	-340.75%	Due to net loss during the year.
Return on investment	((Net gain/(loss) on sale+fair value changes of mutual funds)/Average investment funds in current and non-current investments)	((Net gain/(loss) on sale+fair value changes of mutual funds)	NA	NA	NA*	-

Note
 ** Reason for change in performance are explained if variation exceeds 25% as compared to the preceding year.
 ** Reason for change in performance are explained if variation exceeds 25% as compared to the preceding year.
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Note 50 Statement of restatement adjustments to audited financial statements

(i) Reconciliation between total equity as per Audited Financial Statements and Restated Financial Information

Particulars	As at		As at
	31 March 2023	31 March 2022	31 March 2021
Equity as per Consolidated Ind AS Financial Statements	2,781.32	2,546.06	2,990.84
Restatement Adjustments	0.00	0.00	0.00
Total equity as per Restated Financial Information	2,781.32	2,546.06	2,990.84

(ii) Reconciliation between Audited profit and Restated profit

Particulars	As at		As at
	31 March 2023	31 March 2022	31 March 2021
Total comprehensive income or Profit after tax	235.26	(444.78)	36.46
Restatement adjustments	-	-	-
Restated total comprehensive income as per restated financial information	235.26	(444.78)	36.46

Note 51 Material regrouping

Appropriate regroupings have been made in the restated statement of assets and liabilities, restated statement of profit and loss and restated statement of cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Restated Financial Information of the Company for the year ended March 31, 2023 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

For Kishan M. Mehta & Co.
Chartered Accountants
Firm Registration Number: 105229W

K.M.Mehta
Partner
M. No.: 013707
Place: Ahmedabad
Date: 26/03/2024



For Vinny Overseas Limited

[Signature]

Hiralal Parekh
Managing Director
DIN: 00257758

[Signature]

Mularam Prajapati
CFO
PAN: ADGPP9482J

Place: Ahmedabad

[Signature]

Latadevi Hiralal Parekh
Director
DIN: 02973048

[Signature]

Brinda D.Nathvani
Company Secretary
PAN: AVZPN1463E

Date: 23/03/2024

Kishan M. Mehta & Co.

CHARTERED ACCOUNTANTS

CAPITALISATION STATEMENT

(Rs. In Lakhs)

Particulars	Pre-Issue as on December 31, 2023
Borrowings	
Long-term Borrowings	377.83
Short-term Borrowings(excluding Current maturities of long-term borrowings)	1595.30
Add: Current maturities of long-term borrowings	226.23
Total Borrowings (C)	2199.36
Equity	
Equity Share Capital	2326.23
Other Equity	768.78
Total Equity (D)	3095.01
Ratio - Borrowings / Equity (C/D)	0.71

Notes:

Current maturities of long-term borrowings indicate portion of long-term borrowings payable within 12 months.

The above statement has been prepared for the purpose of complying the requirement of furnishing capitalisation statement in accordance with part B-1 of schedule VI to securities and exchange Board of India (ICDR) regulations 2018.

These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended)

For KISHAN M. MEHTA & CO.

Chartered Accountants,

Firm Reg. No. 105229W



KISHAN M MEHTA

Partner

M. No. 013707



Place of Signature: Ahmedabad

Date: 26th April, 2024

UDIN: 24013707BKFKGG3748

STOCK MARKET DATA FOR EQUITY SHARES

Our Company's Equity Shares are listed and actively being traded on BSE and NSE from October 11, 2018*. The Rights Equity Shares will be listed on BSE and NSE pursuant to the Issue. For further details, please see section titled "Terms of the Issue" on page 171 of this Draft Letter of Offer.

**Note: The Company was listed on Emerge Platform of National Stock Exchange of India Limited on October 11, 2018 vide listing and trading approval from National Stock Exchange of India Limited dated October 10, 2018. Further, our Company migrated to main board of National Stock Exchange of India Limited vide listing and trading approval dated November 24, 2022 and of Bombay Stock Exchange Limited vide listing and trading approval dated November 25, 2022.*

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of 2 days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

a) BSE Limited

Fiscal	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
FY 2022-23	144.20	30/12/2022	1718	2,43,409	81	28/11/2022	1,005	81,446	136.029

(Source: www.bseindia.com)

Please note, the Company got migrated on main board vide listing and trading approval dated on November 25, 2022.

b) National Stock Exchange of India Limited

Fiscal	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
FY 2022-23	334.3	23/02/2023	61,620	20392220.75	7.6	31/03/2023	50611	384643.6	142.34

(Source: www.nseindia.com)

Please note, the Company got migrated on main board vide listing and trading approval dated on November 24, 2022.

Market Prices for the last six calendar months

a) BSE Limited

The total number of days trading during the past six months, from November 2023 to April 2024 was 123. The average volume of Equity Shares traded on the BSE during the last 6 months was 209632.1 Equity Shares per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last 6 months preceding the date of filing of this Draft Letter of Offer are as follows:

Month	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
April, 2024	4.53	April 09, 2024	157451	699625	3.82	April 16, 2024	326195	1296768	4.12
March, 2024	5.62	March 02, 2024	270075	1514087	4.05	March 28, 2024	32806	132864	4.82
February, 2024	5.11	February 29, 2024	293214	1495103	3.7	February 01, 2024	228827	862382	4.21
January, 2024	4.58	January 8, 2024	706926	3180075	3.69	January 31, 2024	125437	464637	4.05
December, 2023	4.11	December 27, 2023	146926	586819	3.54	December 7, 2023	131494	481209	3.828
November, 2023	4.26	November 22, 2023	668662	2728107	3.25	November 01, 2023	147588	489243	3.64

(Source: www.bseindia.com)

b) National Stock Exchange of India Limited

The total number of days trading during the past six months, from November 2023 to March 2024 was 123. The average volume of Equity Shares traded on the NSE was 517863 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the NSE during the last six months preceding the date of filing of this Letter of Offer are as follows:

Month	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
April, 2024	4.6	April 09, 2024	849615	3733854.85	3.8	April 16, 2024	543834	2177746.15	4.17
March, 2024	5.6	March 02, 2024	190024	1064134.4	4.2	March 28, 2024	30698	128931.6	4.84
February, 2024	5.05	February 29, 2024	863147	4391438.9	3.75	February 01, 2024	310132	1154292.6	4.15
January, 2024	4.60	January 8, 2024	2363249	10686310.75	3.70	January 31, 2024	177407	656405.9	4.10
December, 2023	4.05	December 14, 2023	1197263	4730279.95	3.55	December 21, 2023	727016	2702910.6	3.82
November, 2023	4.25	November 22, 2023	16,60,495	68,10,822.30	3.25	November 10, 2023	3,45,927	11,48,244.05	3.63

(Source: www.nseindia.com)

The Board of our Company has approved the Issue at their meeting held on September 26, 2023. The high and low prices of our Company's shares as quoted on the BSE and NSE on September 27, 2023, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No. of equity shares)	Highest Price (₹)	Low price (₹)
BSE			
September 27, 2023	38,478	3.09	3.09
NSE			
September 27, 2023	1,55,928	3.05	3.05

Source: www.nseindia.com and www.bseindia.com

The closing market price of the Equity Shares as on April 30, 2024 (May 1, 2024 being trading holiday) i.e. one day prior to filing of this Draft Letter of Offer was ₹ 4.42/- on the BSE and ₹ 4.40/- on the NSE. The Issue Price is ₹ 2/- per Rights Equity Share.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the section titled “Restated Financial Statements” beginning on page 86 of this Draft Letter of Offer. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read the section titled “Risk Factors” and the section titled “Forward Looking Statements” beginning on pages 20 and 15, respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

You should read the following discussion and analysis of our financial condition and results of operations together with the Financial Statements, including the significant accounting policies, notes thereto and reports thereon, which have been prepared in accordance with Companies Act and SEBI ICDR Regulations.

Our Financial Statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including IFRS. Accordingly, the degree to which Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader’s level of familiarity with Ind AS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2022 included herein is based on the Restated Financial Statements included in this Letter of Offer. For further information, please see the sections titled “Presentation of Financial, Industry and Market Data” and “Restated Financial Statements” beginning on pages 13 and 86 respectively of this Letter of Offer.

Overview of the Company

Our Company was originally incorporated as Vinny Overseas Private Limited on May 29, 1992 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat. Subsequently, the name of the company was changed from “Vinny Overseas Private Limited” to “Vinny Overseas Limited” under The Companies Act, 2013 and had obtained fresh certificate of incorporation dated March 02, 2017 issued by the Registrar of Companies, Ahmedabad. Our Company was listed on Emerge Platform of National Stock Exchange of India Limited on October 11, 2018, vide listing and trading approval from National Stock Exchange of India Limited dated October 10, 2018, Further, our Company migrated to main board of National Stock Exchange of India Limited vide listing and trading approval dated November 24, 2022 and of Bombay Stock Exchange Limited vide listing and trading approval dated November 25, 2022. The Corporate Identification Number is L51909GJ1992PLC017742.

We are engaged in the processing of fabrics for shirting, suiting and dress materials through manufacturing process of weaving, dyeing, printing and finishing. Our company obtains grey fabric from the domestic market and dyes it to the client's specifications based on quality of the fabric, size and other factors. Our Company is also engaged in Job-Work for wholesale cloth merchants and also trade in grey cloth as per the order received from the customer.

Our products offering can be largely classified into Shirting Fabrics, Shooting Fabrics, Polyester Fabrics, Dress Materials and Cotton Fabrics. Our operations and facilities enable us to provide a number of textile products / processes for our customers.

Established in 1992, with over two decades of experience in the textile industry, we cater both domestic and international clients. Our company focuses primarily on fabric quality by utilising plant and machinery equipped with the necessary technologies, supplying excellent textiles at affordable costs, and preserving long-term relationships with our clients.

Our promoter Mr. Hiralal Parekh has over three decades of expertise in the textile industry. The promoter of our company oversees the day-to-day operations and actively participates in decision-making processes aimed at revamping the entire operations, including processing, marketing, finance, and other commercial activities pertinent to our business.

We have an in-house Testing and Quality Control (“QC”) Team which undertakes testing and quality management. Our testing and QC team coupled with our testing equipments ensure the quality of raw material dispensed in the process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

All our products are manufactured in-house at our manufacturing unit located in Ahmedabad, which enables us to have an effective control over the manufacturing process and to ensure consistent quality of our products. For details, please refer to “Our Manufacturing Infrastructure” on page 97 of the Draft Letter of Offer.

Our Company has also set up a wind power project of 1.650 MW capacity at village Vandhiya, Taluka-Bhachau, District Kutch using wind turbine generators in Gujarat. The basic purpose of installing this power project was to meet the heating and power requirement of the process plant. Our Company has executed an agreement with Torrent Power Ltd. (“TPL”) Dated April 12, 2010 whereas TPL has agreed to wheel the electricity generated by our Company for captive use from TPL receiving point to our processing plant and TPL shall purchase the surplus energy i.e. total energy generated by our Company minus the energy consumed by our Company at the rate as approved by Gujarat Electricity Regulatory Commission.

For further details, see “*Business Overview*” on page 60.

COVID 19 Pandemic:

The current outbreak of COVID-19 pandemic has adversely impacted the global economy. The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. Subsequently in view of the second wave of COVID-19, various state governments had imposed a complete lockdown on or about the beginning of May, 2021. However, as we are engaged in import/export and trading of agricultural produce and commodities which are ‘essential goods’, our operations were not shut down during this pandemic. However, due to limited availability of labour, logistics and supply chain constraints, our business was impacted during the initial period of the lockdown. We continued our operations and business activities after making arrangements to meet the government’s requirements on sanitization, people movement and social distancing.

Significant Developments Subsequent since the unaudited financials intimated to stock exchange, i.e.; December 31, 2023

Except as stated in this Draft Letter of Offer, and as disclosed below, to our knowledge, no circumstances have arisen since last balance sheet of the Company, i.e., December 31, 2023, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

A fire incident took place on March 28, 2024 at the registered office of the Company. The cause of fire was assessed in due course. Fire was controlled within time and fortunately, there were no casualty and injury to life. The Company has already intimated the Insurance Company for the incidence and requested to depute Surveyor. Insurance Survey is expected to be conducted in due course. The same has been intimated to Stock Exchanges.

Mrs. Mansi Pratik Patel has been appointed as Company Secretary and Compliance Officer of the Company with effective from May 01, 2024 due to resignation of Ms. Brinda Nathvani and the same has been intimated to the Stock Exchanges.

Significant Factors Affecting Our Results of Operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled ‘*Risk Factors*’ on page 20. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- General economic and business conditions;
- Changes in laws and regulations and legal uncertainties;
- Competition from existing and new entrants and introduction of substitute products;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- The occurrence of natural disasters or calamities; and
- Fluctuations in exchange rates of various foreign currencies.

Significant Accounting Policies

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer to section titled “Financial Information” beginning on page no. 86 of this Draft Letter of Offer.

Change in Accounting Policies

Except as mentioned in chapter “**Financial Information**” on page 86 of this Draft Letter of Offer, there has been no change in accounting policies for the period which has been included in this Draft Letter of Offer.

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

- **Revenue from operations** - Our revenue from operations consists of Manufacturing, trading and Processing job work Charges and Other operating Income. For detailed breakup, see chapter titled “Our Business” on page 60 of this Draft Letter of Offer.
- **Other Income** - Other income primarily comprises of Interest Income and other non-Operating income.

Expenses

Our expenses comprise of Cost of Raw material, purchase of stock-in-trade, changes in inventories of Finished Goods, Stock-in-Trade, employee benefit expenses, finance costs, power and fuel expenses, depreciation & amortization expenses and other expenses.

- **Cost of Raw material** - Cost of Raw material primarily comprises of Colour and Chemical
- **Purchase of stock-in-trade** - Purchase of stock-in-trade primarily comprises of grey fabrics.
- **Change in Stock-in-Trade and Work-in-Progress** – Change in Stock-in-Trade and Work-in-Progress includes increase and decrease/ opening and closing in the Work in progress, Stock of Trading and Finished Goods during the year.
- **Employee benefit expenses** - Our employee benefit expenses mainly include salaries & wages expense, managerial remuneration, contribution to provident fund, gratuity and other funds and staff welfare expenses.
- **Finance costs** - Our finance costs mainly include interest cost on term loans, working capital limits and other facilities availed by the company in addition to the bank charges.

Depreciation and amortization expenses - Our depreciation and amortization expenses comprise of depreciation on tangible fixed assets and Right of Use Assets.

- **Other expenses** - Other expenses mainly include expenses towards Power and Fuel, Labour charges, Freight & Forwarding Charges, Travelling & Conveyance costs, Advertisement and business promotion Expenses, Rent, Rates & Taxes, Legal & Professional fees, Repairs & Maintenance costs and other miscellaneous administrative and Manufacturing expenses.
- **Tax expenses**

Tax expense comprises of current tax, earlier period tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws.

Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

OUR RESULTS OF OPERATION

The following table sets out selected data from the Unaudited Profit and Loss accounts for the nine months period ended on December 31, 2023 and December 31, 2022, together with the percentage that each line item represents of our total revenue for the periods presented.

(Rs. in Lakhs, unless otherwise specified)

Particulars	As at and for the nine months ending December 31 (Unaudited Financial Statements)			
	2023	% of Total Income	2022	% of Total Income
Revenue from Operations	8717.70	99.81	7200.46	99.82
Other Income	17.31	0.19	13.35	0.18
Total Revenue	8734.41		7213.18	
Cost of Material Consumed	3620.56	41.45	3310.17	45.89
Purchase of Stock in trade	786.39	9.00	305.10	4.23
Changes in Inventories of Stock-in-Trade	102.20	1.17	(220.02)	(3.05)
Employee Benefit Expense	307.97	3.52	282.36	3.91
Other Expenses	3124.67	35.77	2992.87	41.19
Financial Costs	105.60	1.21	76.74	1.06
Depreciation and Amortization Expense	353.94	4.05	298.85	4.14
Total Expenses	8401.33	96.19	7046.08	97.68
Profit Before Exceptional and Extra Ordinary items and Tax	333.07	3.81	167.74	2.32
Exceptional Item	-	-	-	-
Profit Before Tax	333.07	3.81	167.74	2.32
Tax expense:	14.87	0.17	33.85	0.47
- Current Tax	54.91	0.63	-	-
- Prior Period Tax	(46.59)	(0.53)	-	-
- Deferred tax	6.54	0.07	33.85	0.47
Net Tax expenses	14.87	0.17	33.85	0.47
Profit / (Loss) for the period from continuing operation(A)	318.21	3.64	133.89	1.86
Profit/ (Loss) from discontinuing operation(B)	-	-	-	-
Total other comprehensive Income for the period	(4.51)	(0.05)	5.20	0.07
Profit/ (Loss) from continuing and discontinuing operation(C)=(A)+(B)	313.70	3.59	139.09	1.93

COMPARISON OF DECEMBER 2023 WITH DECEMBER 2022

Revenue from Operations

Our total revenue increased by 21.09% from ₹7213.18Lakh in Dec 2022 to ₹ 8734.41lakh in Dec 2023 this is due to demand of fabrics in the domestic market.

Other income

Our other income increased by 29.66% from ₹ 13.35 lakh in Dec 2022 to ₹17.31 lakh in Dec 2023 primarily due to increase in interest income and due to profit on sale of property.

Expenses

Our total expenses increased by 19.23% from ₹7046.08 lakh in Dec 2022 to ₹8401.33 lakh in Dec 2023. This increase was primarily due to increase in total value of business in comparison for previous year

Change in inventories of Stock in Trade

Our inventories of finished goods changed from ₹ (220.02) lakh in Dec 2022 to ₹ 102.20 lakh in Dec 2023 this is increase in turnover.

Employee benefit expense

Our employees benefit expense increased by 9.07% from ₹282.36 lakh in Dec 2022 to ₹307.97 lakh in Dec2023 this is basically due to incremental increase of staff salary.

Finance cost

Our finance cost increased by 37.607% from ₹ 76.74 lakh in Dec 2022 to ₹105.6 lakh in Dec 2023 this is due to bank limits has been increased as stated and also rate of interest of the bank limits also increase with the increase in the repo rate of RBI.

Depreciation and amortization expense

Our depreciation and amortization expenses has increased 18.43% from ₹298.85 lakh in Dec 2022 to ₹ 353.94 lakhs in Dec 2023. The increase is on account of depreciation being charged on WDV basis.

Other expenses

Our other expenses increased from ₹2992.87 lakh in Dec 2022 to ₹ 3124.67 lakh in Dec 2023. Primarily due to increase in Freight and Forwarding expenses, Transportation expenses as the company revenue has increased.

The following table sets out selected data from the Restated Financial Statements for Fiscal 2023, Fiscal 2022 and Fiscal 2021, together with the percentage that each line item represents of our total revenue for the periods presented.

(Rs. in Lakhs, unless otherwise specified)

Particulars	As on March 31 (Restated Financial Statements)					
	2023	% of Total Income	2022	% of Total Income	2021	% of Total Income
Revenue from Operations	10,631.56	99.71	10,991.44	99.82	13,793.78	99.82
Other Operating Revenue	9.95	0.09	6.47	0.06	9.47	0.07
Other Income	20.71	0.19	13.07	0.12	14.89	0.11
Total Revenue	10,662.22	100.00	11,010.98	100.00	13,818.14	100.00
Cost of Material Consumed	4531.19	42.50	6376.67	57.91	7337.50	53.10
Purchase of Stock in trade	1088.47	10.21	658.37	5.97	2343.64	16.96
Changes in Inventories of Stock-in-Trade	(182.85)	-1.71	869.63	7.90	709.09	5.13
Employee Benefit Expense	382.05	3.58	313.28	2.85	248.31	1.80
Other Expenses	3989.68	37.42	2963.31	26.91	2692.07	19.48
Financial Costs	105.75	0.99	150.62	1.37	202.55	1.47
Depreciation and Amortization Expense	407.69	3.82	275.03	2.50	275.78	1.00
Total Expenses	10,321.97	96.81	11,606.62	105.41	13,808.94	99.93
Profit Before Exceptional and Extra Ordinary items and Tax	340.25	3.191	(595.64)	-5.409	9.20	0.066
Exceptional Item	-		-		-	
Profit Before Tax	340.25	3.191	(595.64)	-5.409	9.20	0.066
Tax expense:						
- Current Tax	56.80	0.532	-	-	6.41	0.046
- Prior Period Tax	0.78	0.007	0.07	0.0006	(5.36)	-0.038
- Deferred tax	41.95	0.393	(144.63)	-1.313	(28.01)	-0.202
Net Tax expenses	99.52	0.933	(144.56)	-1.312	(26.96)	-0.195
Profit / (Loss) for the period	240.73	2.257	451.08	4.096	36.16	0.261

Particulars	As on March 31 (Restated Financial Statements)					
	2023	% of Total Income	2022	% of Total Income	2021	% of Total Income
continuing operation(A)						
Profit/ (Loss) from discontinuing operation(B)	-	-	-	-	-	
Total other comprehensive Income for the period	(5.47)	-0.051	6.30	0.057	0.30	0.002
Profit/ (Loss) from continuing and discontinuing operation(C)=(A)+(B)	235.26	2.206	(444.78)	-4.039	36.46	0.263

COMPARISON OF FY 2023 WITH FY 2022

Revenue from Operations

The revenues from F.Y. 2021-22 to F.Y. 2022-23 have decreased by 3.27% this decrease is due to recession in the textile market.

Other income

Our other income increased by 58.45% from ₹ 13.07 lakh in Fiscal 2022 to ₹20.71 lakh in Fiscal 2023 primarily due to an increase in interest income of the company due to interest rate fluctuation and gain on sale of Plant and equipment interest income. The details are as under:

Particulars	<i>(Rs. in Lakhs, unless otherwise specified)</i>	
	For the year ended March 31,2023	For the year ended March 31,2022
Interest Income	11.91	2.57
Liability written back	3.35	8.10
Profit on sale of Property Plant and Equipment	5.44	1.60
Export Promotion Capital goods Income	-	-
Other	-	0.80
Total Other Income	20.71	13.07

Expenses

Our total expenses decrease d by 11.06 % from ₹11,606.62 lakh in Fiscal 2022 to ₹10,321.97 lakh in Fiscal 2023. This decrease was primarily due to decrease in total value of business in comparison for previous year

Change in inventories of Stock in Trade

There is decrease in inventory in March 2023 as compared to March 2022.

Employee benefit expense

Our employees benefit expense increased by 21.99% from ₹313.28 lakh in Fiscal 2022 to ₹382.05 lakh in Fiscal2023. The Increase was primarily on account of increase in salaries and wages of employees along with increase in provident fund contribution.

Finance cost

Our finance cost decreased by 29.79% from ₹ 150.62 lakh in Fiscal 2022 to ₹105.75 lakh in Fiscal 2023. This decreae is due to decrease in interest expense in the financial year 2023.

Depreciation and amortization expense

Our depreciation and amortization expenses has increased 48.23% from ₹275.03 lakh in Fiscal 2022 to ₹ 407.69 lakhs in Fiscal 2023. The increase is on account of addition in Property plant and equipments.

Other expenses

Our other expenses increased from ₹ 2963.31 lakh in Fiscal 2022 to ₹3989.68 lakh in Fiscal 2023. Primarily due to increase in Power and Fuel and other Labour expenses,. The details are as under:

(Rs. in Lakhs, unless otherwise specified)

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
Power and Fuel	2090.48	1443.40
Labour Charges	836.74	662.56

Tax expenses

Our total tax expenses increased by ₹ 244.08 lakh from ₹ (144.56) lakh in Fiscal 2022 to ₹ 99.52 lakh Fiscal 2023 mainly due to an increase in: (i) current tax by ₹56.80 lakh from ₹ NIL lakh Fiscal 2022 to ₹56.80 lakh in Fiscal 2023 and; increase in (ii) deferred tax charge by ₹186.58 lakh from ₹ (144.63) lakh in Fiscal 2022 to ₹ 41.95lakh in Fiscal 2023, and an increase in Prior Period Tax by ₹0.71 lakh from ₹ 0.07 in Fiscal 2022 to ₹0.78 in Fiscal 2023.

Profit/(Loss) for the year

For the foregoing factors, our profit for the year increased from ₹444.78 lakh in Fiscal 2022 to ₹235.26 lakh in Fiscal 2023.

COMPARISON OF FY 2022 WITH FY 2021

Revenue from Operations

The revenues from F.Y. 2020-21 to F.Y. 2021-22 have decreased by 20.32% this decrease was mainly due to a) Impact of covid 19 on our business and factor of recession in textile market.

Other income

Our other income decreased by 12.22% from ₹ 14.89 lakh in Fiscal 2021 to ₹13.07 lakh in Fiscal 2022 primarily due to Export Promotion capital goods income.a decrease in . The details are as under:

(Rs. in Lakhs, unless otherwise specified)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
Interest Income	2.57	2.31
Liability written back	8.10	2.63
Profit on sale of Property Plant and Equipment	1.60	-
Export Promotion Capital goods Income	-	9.79
Other	0.80	0.16
Total Other Income	13.07	14.89

Expenses

Our total expenses decreased by 15.95 % from ₹13808.94 lakh in Fiscal 2021 to ₹11,606.62 lakh in Fiscal 2022. This decrease was primarily due to decrease in total value of business in comparison for previous year

Change in inventories of Stock in Trade

There is increase in inventory in March 2022 as compared to March 2021 .

Employee benefit expense

Our employees benefit expense increased by 26.16% from ₹248.31 lakh in Fiscal 2021 to ₹313.28lakh in Fiscal

2022. The increase was primarily on account of increase in remuneration of executive directors and salaries and wages of other employees.

Finance cost

Our finance cost decreased by 25.64% from ₹ 202.55 lakh in Fiscal 2021 to ₹150.62 lakh in Fiscal 2022 on account of decrease in interest expense

Depreciation and amortization expense

Our depreciation and amortization expenses has decreased 0.27% from ₹275.78lakh in Fiscal 2021 to ₹ 275.03 lakhs in Fiscal 2022. The decrease is on account of depreciation being charged on WDV basis.

Other expenses

Our other expenses increased from ₹ 2692.07 lakh in Fiscal 2021 to ₹ 2963.31lakh in Fiscal 2022. Primarily due to increase in power and fuel expenses. The details are as under:

(Rs. in Lakhs, unless otherwise specified)

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
Power and Fuel	1443.44	988.47

Tax expenses

Our total tax expenses decreased by ₹116.55 lakh from ₹(26.96) lakh in Fiscal 2021 to ₹ (144.56) lakh Fiscal 2022 mainly due to an decrease in: (i) current tax by ₹6.41 lakh from ₹ 6.41 lakh Fiscal 2021 to NIL in Fiscal 2022 and; decrease in (ii) deferred tax charge by ₹116.62 lakh from ₹ (28.01) lakh in Fiscal 2021 to ₹(144.63) lakh in Fiscal 2022,

Profit/(Loss) for the year

For the foregoing factors, our profit for the year decreased from ₹36.46 lakh in Fiscal 2021 to ₹ (444.78) lakh in Fiscal 2022.

Liquidity And Capital Resources

The table below summaries of our Cash Flow from our restated Financial Information for the financial year ended March 31, 2023 and from limited review report for 9 months ending on December 31, 2023:

(Rs. in Lakhs, unless otherwise specified)

Particulars	As on 30-09-2023 (Unaudited)	FY 2022-2023 (Restated)	FY 2021-2022 (Restated)
Net cash generated from / (used in) operating activities	767.02	472.58	1327.51
Net cash generated from / (used in) Investing Activities	(558.48)	(669.55)	(276.44)
Net cash generated from / (used in) from financing activities	458.74	197.22	(1050.29)
Net Increase / (decrease) in Cash & Cash Equivalents	667.29	0.24	0.42
Cash and cash equivalents at the beginning of the year	5.75	5.51	5.09
Cash and cash equivalents at the end of the year	673.04	5.75	5.51

For details regarding our Cash Flow for FY 2021, please refer Financial Statements beginning page no.86 of the Draft Letter of Offer.

Cash generated from Operating Activities: Net cash flow from operating activities comprises cash consumed / generated from operations and increase / decrease in working capital. Net cash flow generated from operating activities increased from 671.34 lakh in Fiscal 2021 to ₹ 1327.15 lakh in Fiscal 2022 primarily due to Decrease in inventory and trade Receivable and Increase in trade payables.

Net Cash used in Investing Activities: Net cash flow from investing activities comprises purchase of property, plant and equipment (tangible and intangible) and proceeds from the sale and purchase of current investments and interest received. Net cash flow generated from investing activities decreased from ₹51.82 lakh in Fiscal 2021 to ₹(276.44) lakh in Fiscal 2022 primarily increased in expenses on capital expenditure

Net Cash flow used in Financing Activities: Net cash flow from financing activities comprises proceeds / repayment of long-term borrowing (net), proceeds / repayment of short-term borrowing (net), dividend paid, and interest paid. Net cash used in financing activities increased from ₹(726.72) lakh in Fiscal 2021 to ₹(1050.29) lakh in Fiscal 2022 due to long term borrowing during the year from various banks.

Financial Indebtedness

The table below summaries of our borrowings from our Restated Financial Information for the financial year ended March 31, 2023 and from limited review report for 9 months ending on December 31, 2023:

(Rs. in Lakhs, unless otherwise specified)

Category of Borrowings	As on 31-12-2023 (Unaudited)	FY 2022-23 (Audited)
Long Term Borrowings		
Secured Loan from Bank	301.86	409.41
Short Term Borrowings		
Current Maturities of Loang Term	226.23	198.31
Working Capital Facility from Bank	940.22	558.82
Unsecured Borrowing (Long term and Short Term)	810.37	547.23
Grand Total	2278.68	1713.77

For details on our borrowings, please refer to Financial Statements on page 86 the Draft Letter of Offer.

Contingent Liabilities

The table below summaries of our Contingent Liabilities from our Restated Financial Information for the financial year ended March 31, 2023 and from limited review report for 9 months ending on December 31, 2023:

(Rs. in Lakhs, unless otherwise specified)

Particulars	As on 31-12-2023 (Unaudited)	FY 2022-23 (Audited)
Direct and indirect taxation matters		
Income Tax	48.89	48.89
Guarantee as member of Narol Textile Infrastructure and Enviro management	85.85	74.19

For details regarding our contingent liabilities, please refer to Financial Statement on page 86 of the Draft Letter of Offer.

Reservations, Qualifications and Adverse Remarks

There have been no reservations, qualifications and adverse remarks however there are some key audit matters.

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. The same has been addressed in chapter titled “Financial Statements” beginning on page 86 of this Draft Letter of Offer.

Related Party Transactions

For details on related party transactions for FY 2023, FY 2022 and FY 2021 please see Chapter “Financial Statements” on page no. 86 of the Draft Letter of Offer.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Quantitative And Qualitative Disclosure About Market Risk

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials and components used therein. The costs for these materials and components are subject to fluctuation based on commodity prices. The costs of various components sourced from third party manufacturers may also fluctuate based on their availability from suppliers.

Credit risk

We are exposed to credit risk from our operating and financial activities. We manage credit risk in relation to our customers by ensuring that our marketing department follows our established policies, procedures and controls, and by reviewing the creditworthiness of our customers on an on-going basis. We estimate expected credit loss on the basis of past experience and data, and provide for doubtful debts accordingly.

Liquidity risk

We may experience liquidity risk due to the accumulation of receivables due from our clients which exposes us to the risk of not being able to meet our obligations. The senior management team of our Company oversees our processes and policies are formulated to minimise such risk.

Equity price risk

Our Company has invested in the equity shares of our Subsidiaries as a part of our overall business strategy and growth policy. Accordingly, we are exposed to risk because of fluctuations to the prices of the equity shares. We manage our exposure to this risk by placing limits on the individual and total equity investment carried out by us in our Subsidiaries based on their respective business plans.

Qualitative Disclosure about Market Risk

1. Unusual or infrequent events or transactions

Except as described in this Draft Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the section titled "Risk Factors" beginning on page no. 20 of this Draft Letter of Offer respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the section titled "Risk Factors" beginning on page no. 20 of this Draft Letter of Offer, in our opinion there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled "Risk Factors" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 20 and 147 respectively of this Draft Letter of Offer, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

5. 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 our revenues are by and large linked to increases in the volume of activities carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operated

Our Company is in the business of manufacturing trading and Job work for grey fabrics and printed fabrics. For details on revenue break-up from each segment, kindly refer the chapter titled “**Our Business**” beginning on Page 60 of this Draft Letter of Offer.

7. Status of any publicly announced new products or business segment

We have not announced and do not expect to announce in the near future any new products or business segments.

8. The extent to which business is seasonal

Our Company’s business is not seasonal.

9. Any significant dependence on a single or few suppliers or customers

Other than as described in this Draft Letter of Offer, particularly in Risk Factor No. 2 and 3 on page 21 of this Draft Letter of Offer, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

10. Competitive conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty and timely supply, we will be able to stay competitive. For further details, kindly refer the chapter titled “**Our Business**” beginning on page 60 of this Draft Letter of Offer.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except, as stated in this Section and mentioned elsewhere in this Draft Letter of offer there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoter, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoter or Group Companies.

Except as disclosed below there are no :

- i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years;
- ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- iii) pending proceedings initiated against our Company for economic offences;
- iv) default and non-payment of statutory dues by our Company;
- v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company including fines imposed or compounding of offences done in those five years; or
- vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors. Our Board, in its meeting held on August 07, 2018 determined that outstanding dues to creditors in excess of Rs. 2.00 lakhs as per last audited financial statements shall be considered as material dues (“Material Dues”).

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ‘material’ for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 5.00 lakhs as determined by our Board, in its meeting held on August 07, 2018.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to contrary, the information provided is as of Draft Letter of offer.

I. LITIGATIONS INVOLVING OUR COMPANY

A. LITIGATIONS AGAINST OUR COMPANY

- i. Criminal Litigations
Nil
- ii. Civil Proceedings
Nil
- iii. Taxation Matters
Nil
- iv. Proceedings against Our Company for economic offences/securities laws/ or any other law
Nil

- v. Penalties in Last Five Years
Nil
- vi. Pending Notices against our Company
Nil
- vii. Disciplinary Actions taken by SEBI or stock exchanges against Our Company
Nil
- viii. Defaults including non-payment or statutory dues to banks or financial institutions
Nil
- ix. Details of material frauds against the Company in last five years and action taken by the Companies.
Nil

B. LITIGATIONS FILED BY OUR COMPANY

- i. Criminal Litigation
Nil
- ii. Civil Proceedings

1. VINNY OVERSEAS PRIVATE LIMITED V. STATE OF GUJARAT AND 8 OTHERS

Our Company has filed a case against the customer before the Chief Metropolitan Magistrate Court Room No.30, Ahmedabad under Negotiable Instrument Act for dishonour of cheque : cheque bounce : Accused M/s Mahendra Maneklal Patel (Proprietor) is the customer of our Company. During the period 16.12.2019 to 19.02.2020 accused had purchased different types of fabric material from our company amounting to Rs. 14,58,601/-. Thereafter accused had returned the goods worth Rs. 6,12,543 to the company within 6 months of delivery resulting in liability of Rs. 8,46,058/- against outstanding due by accused. Against this outstanding due the accused had made payment of Rs. 3,50,000/- thereby reducing his liability to Rs. 4,96,058/- Our company made several demand for the said due, in response to which the accused had issued three cheques which were returned by the banker " Showing insufficient balance". On return of the cheques the company had issued legal notice to the accused to deposit the cheques within 15 days of receipt of notice. Due to no action from the accused the company had filed case under section 138 of the NI Act and the said case is pending.

- iii. Taxation Matters
 - 1. Our company received a notice dated August 09,2018, under section 143(3) of IT Act alleging under reporting of the total income of our Company for the assessment year 2017-18. Our Company calculated its total income as Rs.106.09 lakhs while the Original order calculated the total income of our Company as Rs.187.89 Lakhs. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals) -8, Mumbai("CCIT") against the Original order to set aside the Order. This matter is currently pending.
 - 2. Our Company has received a demand notice us 156 of Income Tax Act,1961 from office of the Deputy Commissioner of Income Tax,Ahmedabad for the Assessment year 2017-18 a sum of Rs.48,89,420 Dated 12/12/2019 : Notice No.ITBA/AST/S/156/2019-20/1022203875(1)
- iv. Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law
Nil

C. LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY

A. LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY

- i. Criminal Litigations
Nil
- ii. Civil Proceedings
Nil

iii. Taxation Matters

The details of the Outstanding Income Tax demand raised against the Directors of Our Company mentioned herein below

- a. Mr. Hiralal Parekh Managing Director of the Company.
- b. Mrs.Nishita Shah
- c. Mrs.Latadevi Parekh the Directors of Our Company

Assessment year	Name of the Assesses	Date of demand raised	Amount in Rs.	Interest
2015	Hiralal Jagdish Parekh	30-03-2022	17416	17416
2022	Nishita shah	09-11-2022	Nil	38
2022	Nishita shah	16-01-2023	1930	1%
2020	Latadevi Parekh	09-02-2021	Nil	Nil

iv. Past Penalties imposed on our Directors

Nil

v. Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law

Nil

vi. Directors on list of wilful defaulters of RBI

Nil

B. LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY

i. Criminal Litigation

Nil

ii. Civil Proceedings

Nil

iii. Taxation Matters

Nil

D. LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY

A. LITIGATIONS AGAINST OUR PROMOTER/S

i. Criminal Litigation

Nil

ii. Civil Proceedings

Nil

iii. Taxation Matters

Mr. Hiralal Parekh is the Promoter of the Company.

The details of the outstanding Income Tax demand raised against the Promoter Mr.Hiralal Parekh of our Company is mentioned herein below :

Assessment year	Name of the Assesses	Date of demand raised	Amount in Rs.	Interest
2015	Hiralal Jagdish Parekh	30-03-2022	17416	17416

iv. Past Penalties imposed on our Promoters

Nil

v. Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law

Nil

vi. Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years

Nil

vii. Penalties in Last Five Years

Nil

viii. Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past.

Nil

ix. Adverse finding against Promoter for violation of Securities laws or any other laws

Nil

B. FILED BY OUR PROMOTER/S

i. Criminal Litigations

Nil

ii. Civil Proceedings

Nil

iii. Taxation Matters

Nil

E. LITIGATIONS INVOLVING OUR GROUP COMPANIES

A. LITIGATIONS AGAINST OUR GROUP COMPANIES

i. Criminal Litigations

Nil

ii. Civil Proceedings

Nil

iii. Taxation Matters

The details of the Outstanding income tax demand raised against the Group Company MOHANLAL MAHAVIRCHAND IMPEX PRIVATE LIMITED is mentioned herein below:

Assessment year	Date of demand raised	Amount in Rs.	Interest
2009	31-12-2010	10620	16244
2022	07-11-2011	Nil	10
2009	31-12-2010	1860	2232

1) FOR AY 2009-10 The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on December 31, 2010 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to Rs. 1,860/-. The amount is currently outstanding.

iv. Past Penalties imposed on our Group Companies

Nil

v. Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law

Nil

vi. Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies

Nil

vii. Adverse finding against Group Companies for violation of Securities laws or any other laws

Nil

B. LITIGATIONS FILED BY OUR GROUP COMPANIES

- i. Criminal Litigations
Nil
- ii. Civil Proceedings
Nil
- iii. Taxation Matters
Nil

F. LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES

As on date of this Draft Letter of offer, our Company does not have any subsidiary. Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

G. OTHER MATTERS

Nil

I. DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY

Nil

II. OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

Nil

III. 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 147 of this Draft Letter of offer, there have been no material developments, since the date of the last audited balance sheet.

IV. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As of 31st December 2023, our Company in its ordinary course of business, has an aggregate amount of Rs. 1563.67 Lakhs which is due towards sundry creditors. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated August 07, 2018 considered creditors to whom the amount due exceeds Rs. 02 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.

Particulars	Number of creditors	Amount involved (in ₹ Lakhs)
<i>Micro, small and medium enterprises*</i>	0	0
<i>Material Creditor(s)</i>	97	1470.70
<i>Other creditors</i>	195	92.96

** As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended on 2020.*

As of 31st December 2023, our Company had 292 creditors to whom a total amount of Rs. 1563.67 was outstanding. Based on the above, there are 97 material creditors of our Company. Further, none of our creditors have been identified as small scale undertaking by our Company based on available information regarding status of suppliers as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006 and amended 2020 as of 31st December 2023. For complete details about outstanding dues to creditors of our Company, see Financial Statements beginning on page 86 of the Draft Letter of Offer.

GOVERNMENT AND OTHER STATUTORY APPROVALS

In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. Our Company has obtained the necessary consents, licenses, registrations, permissions and approvals from the applicable government agencies and other statutory and/ or regulatory authorities required to carry on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

In addition, as on the date of the Draft Letter of Offer, there are no pending regulatory and government approvals and no pending renewals of licenses or approvals in relation to the activities presently undertaken by us or in relation to the Issue.

- I. Material approvals for which applications have been made by our Company, but are currently pending grant: Nil**
- II. Material approvals for which renewal applications have been made by our Company: Nil**
- III. Material approvals which have expired and for which renewal applications are yet to be made by our Company: Nil**
- IV. Material approvals required for which no application has been made by our Company: Nil**

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at its meeting held on September 26, 2023, pursuant to Section 62 and Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors of our Company has, at its meeting held on September 26, 2023, determined the Issue Price as Rs. 2 per Rights Equity Share (including a premium of Re. 1 per Rights Equity Share) and the Rights Entitlement as 1 Rights Equity Shares for every 1 Equity Shares held on the Record Date. The Issue Price is Rs. 2 per Equity Share and has been arrived at by our Company prior to determination of the Record Date.

On Application, Investors will have to pay Rs. 2 per Rights Equity Share, which constitutes as determined by our Board at its sole discretion.

This Draft Letter of Offer has been approved by our Board pursuant to their resolutions dated May 02, 2024.

Our Company has received 'in-principle' approvals from NSE and BSE for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide their respective letters dated [●] and [●]. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges- BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" on page no. 171 of this Draft Letter of Offer.

Prohibition by SEBI and other Governmental Authorities

Our Company, our Promoters, our Promoter Group, or our Directors, the persons in control of our Company and the persons in control of our Corporate Promoters have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our other Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our individual Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market.

Prohibition by RBI

Neither our Company, nor our Promoters, Group Companies and Directors have been categorized or identified as wilful defaulters and/ or Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium.

Confirmation under the Companies (Significant Beneficial Ownership) Rules, 2018

As on the date of this Draft Letter of Offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended ("SBO Rules"), to the extent applicable.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited and National Stock Exchange of India Limited. For the purpose of this Issue, the Designated Stock Exchange shall be National Stock Exchange of India Limited.

Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B-1 of Schedule VI of the SEBI (ICDR) Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1) of the SEBI ICDR Regulations, to the extent applicable and our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. **National Stock Exchange of India Limited is the Designated Stock Exchange for the purpose of the Issue.**

Compliance with Clause (2) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on National Stock Exchange of India Limited and BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause 2 of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

THE PRESENT ISSUE, BEING LESS THAN RS.5,000 LAKHS, OUR COMPANY IS IN COMPLIANCE WITH FIRST PROVISIO TO REGULATION 3 OF THE SEBI ICDR REGULATIONS AND OUR COMPANY SHALL FILE A COPY OF THE DRAFT LETTER OF OFFER PREPARED IN ACCORDANCE WITH THE SEBI (ICDR) REGULATIONS WITH SEBI FOR INFORMATION AND DISSEMINATION ON THE WEBSITE OF SEBI FOR INFORMATIVE PURPOSES.

Disclaimer from our Company

Our Company accept no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/evaluation as to their ability and quantum of investment in the Issue. Our Company and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Cautions

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer with respect to the jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules

and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is National Stock Exchange of India Limited.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

“BSE Limited (“the **Exchange**”) has given, vide its letter reference no. [●] dated [●] permission to this Company to use the Exchange’s name in this Draft Letter of Offer as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- (i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- (ii) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- (iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer of the NSE

As required, a copy of the Letter of Offer has been submitted to National Stock Exchange of India Limited. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of the Draft Letter of Offer, is as follows:

As required, a copy of the letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter reference No. [●] dated [●] permission to the Issuer to use the Exchange’s name in the letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized the letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Selling Restrictions

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to any persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form and the Employee Application Form (as applicable) may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue of Equity Shares: (a) to the Eligible Equity Shareholders who are outside the United States in offshore transactions in reliance on Regulation S located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions; and (b) to the Eligible Employees, and will dispatch the Letter of Offer, Abridged Letter of Offer, Common Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders and the Employee Application Form to the Eligible Employees, who have provided an Indian address to our Company and who have made a request in this regard.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, Abridged Letter of Offer and Application Form or any other material relating to our Company, the Rights Equity Shares, Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchanges.

Accordingly, the Issue Shares and the Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form or any offering materials or advertisements in connection with the Rights Equity Shares, Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form must be treated as sent for information purposes only.

This Draft Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the receipt of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD OR RESOLD

OR OTHERWISE TRANSFERRED 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 RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT (“REGULATIONS”) AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Draft Letter of Offer.

Any person who acquires the Rights Entitlements or the Issue Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that it is not and that at the time of subscribing for the Issue Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Issue Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Issue Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Issue Shares under applicable securities laws and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Issue Shares in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Consents

Consents in writing of: our Directors, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Expert

Our Company has received written consent dated March 08, 2024 from the Statutory Auditors, M/s Kishan M Mehta & Co, Chartered Accountants to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated March 26, 2024 on our Restated Financial Information for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021; and (ii) the statement of tax benefits dated March

23, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

Our Company does not have any listed Subsidiary or Associates as on the date of this Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on BSE and NSE. Our Equity Shares are traded on BSE and NSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled “*Stock Market Data for Equity Shares*” beginning on page 144 of this Letter of Offer.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls below this threshold, the Draft Letter of Offer was filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Big Share Services Private Limited is our Registrar and Share Transfer Agent to the Issue. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please see “Terms of the Issue” on page 171 of this Draft Letter of Offer. Investors may contact the Company Secretary and Compliance Officer and/ the Registrar at the below mentioned details for any pre Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

Registrar to the Issue

Name : **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, Maharashtra
Tel No. : +91 22 62638200
Email Id : rightsissue@bigshareonline.com
Investor Grievance Email Id : investor@bigshareonline.com
Contact Person : Mr. Suraj gupta
Website : www.bigshareonline.com
SEBI Registration No. : INR000001385

Company Secretary and the Compliance Officer of our Company

Name : **MRS. MANSI PRATIK PATEL**
Address : B/H International Hotel Narol-Isanpur Road Narol, Ahmedabad, Gujarat 382405 India
Tel No. : 9328804500-6300-7400
Email Id : cs@vinnyoverseas.in
Website : www.vinnyoverseas.in

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at www.bigshareonline.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (rightsissue@bigshareonline.com / +91 91 22 62638200).

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see ‘Making Application by Eligible Equity Shareholders holding Equity Shares in physical form’ beginning on page no. 177 of this Draft Letter of Offer.

Investors are requested to note that application in this issue can only be made through ASBA.

The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Securities pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renounee) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

Important:

I. Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (“**Issue Materials**”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible

Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- (i) Our Company at www.vinnyoerseas.in;
- (ii) The Registrar at www.bigshareonline.com;
- (iii) The Stock Exchanges at www.nseindia.com; and www.bseindia.com

Eligible Equity Shareholders who have not received the CAF may apply, along with the requisite application money, by using the CAF available on the websites above, or on plain paper, with the same details as per the CAF available online.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.vinnyoerseas.in).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email addresses and an Indian address to our Company.

II. Process of making an Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “*Procedure for Application through the ASBA Process*” on page no. 174 of this Draft Letter of Offer.

*The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “*Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 182.*

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “*Terms of the Issue - Grounds for Technical Rejection*” on page 179. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” beginning on page 175.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

- iii. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- v. renounce its Rights Entitlements in full.

Making of an Application Through The ASBA Process

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted 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 Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Investors applying through ASBA:

- a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- h) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

- (a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), and a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
- (d) Do not submit Application Form using third party ASBA account.
- (e) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

Making an Application on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder, including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Vinny Overseas Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;

9. Total number of Rights Equity Shares applied for;
10. Total Application Money paid at the rate of Rs.2 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("Regulation S") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or us Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in "*Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" beginning on page 175.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "Terms of the Issue - Basis of Allotment" beginning on page 190.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional General instructions for Investors

- a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 228.
- d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- e) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form.
- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
- h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

- j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical application
- q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- r) Do not submit multiple Applications.
- s) No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to the Company, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the application Form and this Draft Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- s) Payment from third party bank accounts.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure – Intention and extent of participation by our Promoter and Promoter Group*” on page 42 of the Draft Letter of Offer.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, **subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).**

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, **as provided under the heading “Terms of the Issue- Basis of Allotment” on page 190.**

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by

approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASB. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. Credit of Rights Entitlements in dematerialised account

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.vinnyoerseas.in).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN all remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights

Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “[●] Demat Escrow Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. Renunciation An Trading Of Rights Entitlement

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounce (s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to Issue Closing Date, will not be able to renounce their Right Entitlements.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off -market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or

stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. **Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors..**

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

1. On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the StockExchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement. The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+1 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

2. Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. Mode of payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA.

In case of Application through ASBA facility, the Investor agrees to block the Application Money with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the Application

Money, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

VI. Basis for this Issue and Terms of Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see “**The Issue**” beginning on page 35.

Face Value

Each Rights Equity Share will have the face value of Re 1.00.

Issue Price

The Rights Equity Share is being offered at a price of Rs. 2 per Rights Equity Share (including a premium of Rs. Re. 1 per Rights Equity Share) in this Issue. On Application, Investors will have to pay Rs. 2 per Rights Equity Share.

The Issue Price for Rights Equity Shares has been arrived at by our Company at its board meeting held on September 26, 2023 and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 rights Equity Shares for every 1 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Fractional Entitlements

The Right Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 Right Equity Shares for every 1 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [•] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issue by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principal approval from the NSE through letter bearing reference number [●] dated [●] and BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law.

The process of corporate action for crediting the fully paid -up Rights Equity Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount under the Call Notice.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 543670) and NSE (Script Code: VINNY) under the ISIN: INE01KI01027. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and our Promoter Group

For details of the intent and extent of subscription by our Promoters and the Promoter Group, see "Capital Structure – Intention and extent of participation by our Promoters and Promoter Group" on page 42 of the Draft Letter of Offer.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights in proportion to amount paid-up on the Rights Equity Shares:

- a) The right to receive dividend, if declared;
- b) The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
- c) The right to receive surplus on liquidation;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

VII. GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of

Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send / dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue materials ("Issue Materials") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Marathi language daily newspaper (Marathi being the regional language of Mumbai, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at rightsissue@bigshareonline.com. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such

allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at rightsissue@bigshareonline.com.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 190.

Payment Schedule of Rights Equity Shares

The Issue Price of Rs. 2 per Rights Equity Share (including premium of Re. 1 per Rights Equity Share) shall be payable on application.

VIII. Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	●
ISSUE OPENING DATE	●
LAST DATE FOR ON MARKET RENUNCIATION*	●
ISSUE CLOSING DATE[#]	●
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	●
DATE OF ALLOTMENT (ON OR ABOUT)	●
DATE OF CREDIT (ON OR ABOUT)	●
DATE OF LISTING (ON OR ABOUT)	●

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [•] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e. [•].

For details, see “General Information - Issue Schedule” on page 40.

IX. Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (b) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by us Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

X. Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity

Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days’ period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

XI. Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

- a) Unblocking amounts blocked using ASBA facility.
- b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- c) National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

- e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated [●] with NSDL and an agreement dated [●] with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or 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 otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹1million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public **interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.**

XIV. Utilization of Issue Proceeds

Our Board declares that:

- a. All monies received out of this Issue shall be transferred to a separate bank account;
- b. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance of our Company indicating the purpose for which such monies had been utilized; and
- c. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. Undertakings by our Company

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.

- 3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. Investor Grievances, Communication And Important Links

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "Sakuma Exports Limited – Rights Issue" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Name	: 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, Maharashtra
Tel No.	: +91 22 6263 8200
Email Id	: rightsissue@bigshareonline.com
Investor Grievance Email	: investor@bigshareonline.com
Contact Person	: Mr. Suraj Gupta
Website	: www.bigshareonline.com
SEBI Registration No.	: INR000001385

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 62638200.

This Issue will remain open for a minimum 7 days. However, our Board or duly authorized committee thereof, will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (OCBs) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors 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.

RESTRICTIONS ON PURCHASES AND REALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Issue Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Equity Shares in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlements and Issue Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States (other than to persons in the United States who are U.S. QIBs and QPs).

The Rights Entitlements or the Equity Shares may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Equity Shares, applying for excess Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Equity Shares.

This Draft Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Equity Shares, or who purchases the Rights Entitlements, or the Equity Shares shall do so in accordance with the restrictions in their respective jurisdictions.

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulations under the US Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Draft Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Draft Letter of Offer and its accompanying documents directly from our Company or the Registrar.

Representations, Warranties and Agreements by Purchasers

Each person outside of the United States by accepting the delivery of this Draft Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/ or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed selling efforts” in the United States (as such term is defined in Regulations).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its

- residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of its jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
 6. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
 7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Letter of Offer with SEBI and the Stock Exchange); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests there in, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Letter of Offer under the heading **“Restrictions on Purchases and Resales”**.
 8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
 9. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
- Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Draft Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Draft Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
10. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Rights Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company’s business and our Company’s most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes “Exchange Information”), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, nor the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

11. The purchaser understands that the Exchange Information and this Draft Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchange or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Draft Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Draft Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the U.S. SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.
12. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the "Information"), has been prepared solely by our Company; and (ii) none of the Lead Manager or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
13. The purchaser will not hold our Company, the Lead Manager or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information.

SECTION VIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these documents for inspection referred to hereunder, will be made available at our Registered Office between 10:30 a.m. to 5:00 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Registrar Agreement dated February 22, 2024 between our Company and the Registrar to the Issue.
2. Bankers to the Issue Agreement dated [●] among our Company the Registrar to the Issue and the Bankers to the Issue.
3. Tripartite agreement dated September 04, 2018 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
4. Tripartite agreement dated September 05, 2018 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

B. Material Documents in Relation to the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company.
2. Copy of the Resolutions passed by our Board dated September 26, 2023 approving the Rights Issue and other related matters.
3. Copy of the Resolutions of our Board dated May 02, 2024 approving and adopting the Draft Letter of Offer.
4. Copy of the Resolution of our Committee of Directors dated [●], finalizing the terms of the Issue including approving the Letter of Offer and Record Date.
5. Consents of our Promoters, Directors, Statutory Peer reviewed Auditor, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, Bankers to the Issue, Legal Advisor to the Issue, and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.
6. The Unaudited Financial Results for nine months period ended December 31, 2023 and the Restated Financial Statements for the period ended March 31, 2023, March 31, 2022, and March 31, 2021.
7. Copy of Annual reports of our Company for the financial years 2023, 2022, 2021, 2020 and 2019.
8. Copy of Statement of Tax Benefits dated March 23, 2024 issued by M/s Kishan M Mehta & Co, Chartered Accountants, Chartered Accountants included in this Draft Letter of Offer.
9. Certified copy of Certificate Repayment of Loan dated April 26, 2024 issued by our Statutory Auditor, M/s Kishan M Mehta & Co, Chartered Accountants.
10. Certified copy of Certificate Working Capital dated April 26, 2024 issued by our Statutory Auditor, M/s Kishan M Mehta & Co, Chartered Accountants.
11. In-principal approval issued by the NSE and BSE dated [●] and [●], respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer 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 Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We/ I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder. We/ I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

We/ I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

Name of the Directors

Signature

Hiralal Parekh

Managing Director
DIN No.: 00257758

Sd/-

Latadevi Parekh

Whole-time Director
DIN No.: 02973048

Sd/-

Nishita Shah

Whole-time Director
DIN No.: 07197925

Sd/-

Vandani Chowdhary

Non-Executive Director
DIN No.: 03048990

Sd/-

Divyaprakash Chechani

Non-Executive Independent Director
DIN No.: 08921232

Sd/-

Parag Jagetiya

Non-Executive Independent Director
DIN No.: 08902895

Sd/-

Rajnish Pathak

Non-Executive Independent Director
DIN No.: 08764000

Sd/-

Neelam Gurbaxani

Non-Executive Independent Director
DIN No.: 09732346

Sd/-

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mularam Prajapati

Sd/-

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Mansi Pratik Patel

Sd/-

Place: Ahmedabad

Date: May 02, 2024