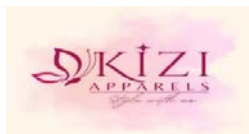


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Date: June 11, 2024



Kizi Apparels Limited
CIN: U14109RJ2023PLC086522

Incorporated on March 24, 2023 at Jaipur

Our Company was originally incorporated as “Kizi Apparels Private Limited” at Jaipur, Rajasthan as a private limited company registered under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated March 24, 2023 bearing Corporate Identification Number U14109RJ2023PTC086522 issued by the Registrar of Companies, Central Registration Centre. Subsequently our Company was converted into a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the EGM held on July 21, 2023 and consequently the name of our Company was changed to “Kizi Apparels Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Jaipur dated August 09, 2023. The Corporate Identification Number of our Company is U14109RJ2023PLC086522.

Registered office: H-629, Phase- II, Sitapura Industrial Area, Sanganer, Jaipur, 302022, Rajasthan,
Tel No.: +91 99830 23939; **Website:** www.kiziapparels.co.in; **E-Mail:** info@kiziapparels.com
Contact Person: Monica Jain, Company Secretary and Compliance Officer

PROMOTER OF THE COMPANY: ABHISHEK NATHANI AND KIRAN NATHANI

THE ISSUE

INITIAL PUBLIC ISSUE OF 26,58,000 EQUITY SHARES OF FACE VALUE OF Rs.10/- EACH OF KIZI APPARELS LIMITED (“KAL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF Rs.21/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF Rs.11/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO Rs.558.18 LACS (“THE ISSUE”), OF WHICH 1,38,000 EQUITY SHARES OF FACE VALUE OF Rs.10/- EACH FOR CASH AT A PRICE OF Rs. 21/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF Rs.11/- PER EQUITY SHARE AGGREGATING TO Rs. 28.98 LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 25,20,000 EQUITY SHARES OF FACE VALUE OF Rs.10/- EACH AT A PRICE OF Rs.21/- PER EQUITY SHARE AGGREGATING TO Rs. 529.2 LACS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 33.99% AND 32.23% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE NO. 158 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10 EACH AND THE ISSUE PRICE IS 2.5 TIMES OF THE FACE VALUE

Potential Bidders may note the following:

1. The section titled “General Section -I” beginning on page 1 of Draft Prospectus. Please note that the mentioned details will be carried out in the offer document.
2. The section titled “Summary of Issue Documents” beginning on page 13 of Draft Prospectus. Please note that the mentioned details will be carried out in the offer document.
3. The section titled “Risk Factors” beginning on page 17 of Draft Prospectus. Please note that the mentioned details will be carried out in the offer document.
4. The section titled “The Issue” beginning on page 31 of Draft Prospectus. Please note that the chapter has been revised and changes will be carried out in the offer document.
5. The section titled “Summary of Our Financial Information” beginning on page 32 of Draft Prospectus. Please note that Restated Consolidated Financial Statement will be carried out in the offer document.
6. The section titled “General Information” beginning on page 35 of Draft Prospectus. Please note that the mentioned details will be carried out in the offer document.
7. The section titled “Capital Structure” beginning on page 43 of Draft Prospectus. Please note that the mentioned details will be carried out in the offer document.
8. The section titled “Object of the Issue” beginning on page 51 of Draft Prospectus updated and same will be carried out in the offer document.
9. The section titled “Basis For Issue Price” beginning on page 57 of Draft Prospectus has been updated by updating issue price. Please note that all other details will be carried out in the offer document.
10. The section titled “Business Overview” beginning on page 69 of Draft Prospectus has been updated as stated in this addendum. Please note that all other details will be carried out in the offer document.
11. The section titled “Our Management” beginning on page 95 of Draft Prospectus has been updated as stated in this addendum. Please note that all other details will be carried out in the offer document.
12. The section titled “Our Promoters and Promoter Group” beginning on page 104 of Draft Prospectus has been updated by adding Ms. Kiran Nathani in the list of Promoters as stated in this addendum. Please note that all other details will be carried out in the offer document.
13. The section titled “Restated Financial Information” beginning on page 108 of Draft Prospectus has been updated by adding updated Restated Financials considering the proprietary Concern. Please note that all other details will be carried out in the offer document.
14. The section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 135 of Draft prospectus has been updated by adding information for the FY 2023-24. Please note that all details will be carried out in the offer document.
15. The section titled “Financial Indebtedness” beginning on page 138 of Draft Prospectus has been updated by adding updated Information for the FY 2023-24. Please note that all other details will be carried out in the offer document.
16. The section titled “Other Financial Information” beginning on page 140 of Draft Prospectus has been updated by adding updated Restated Financials considering the proprietary Concern. Please note that all other details will be carried out in the offer document.
17. The section titled “Outstanding Litigation and Material Developments” beginning on page 141 of Draft Prospectus updated and same will be carried out in the offer document.
18. The section titled “Other Regulatory and Statutory Disclosures” beginning on page 149 of Draft Prospectus Please note that ISIN Number will be carried out in the offer document.
19. The section titled “Terms of The Issue” beginning on page 158 of Draft Prospectus has been updated by updating date of NSDL and CDSL Agreement details. Please note that all other details will be carried out in the offer document.
20. The section titled “Issue Structure” beginning on page 165 of Draft Prospectus has been updated by updating issue price. Please note that all other details will be carried out in the offer document.
21. The section titled “Issue Procedure” beginning on page 167 of Draft Prospectus has been updated by updating date of NSDL and CDSL Agreement details. Please note that all other details will be carried out in the offer document.
22. The section titled “Material Contracts and Documents for Inspection” beginning on page 209 of Draft Prospectus has been updated by updating relevant details.

LEAD MANAGER



INTERACTIVE FINANCIAL SERVICES LIMITED
Address: Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad – 380 015, Gujarat, India
Tel No.: 079 4908 8019
(M) +91-9898055647
Web Site : www.ifinservices.in
Email : mbd@ifinservices.in
Investor Grievance Email: info@ifinservices.in
Contact Person: Mr. Pradip Sandhir
SEBI Reg. No.: INM000012856

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093
Tel No.: +91 22-62638200
Fax No.: +91 22-62638299
Website: www.bigshareonline.com
E-Mail: ipo@bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Contact Person: Mr. Asif Sayyed
SEBI Reg. No.: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

| Contents | Page No. |
|---|-----------------|
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| General Section -I | 1 |
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| Section II – Risk Factors | 6 |
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| General Information | 12 |
| Capital Structure | 13 |
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| Our Management | 29 |
| Our Promoters and Promoter Group | 31 |
| Restated Financial Information | 32 |
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| Terms of The Issue | 79 |
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GENERAL TERMS

| | |
|----------|------------------------------------|
| Promoter | Abhishek Nathani and Kiran Nathani |
|----------|------------------------------------|

COMPANY RELATED TERMS

| | |
|------|--|
| ISIN | International Securities Identification Number is INE0RMR01013 |
|------|--|

ISSUE RELATED TERMS

| | |
|-------------|---|
| Issue Price | The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 21 (Rupees Twenty One Only). |
|-------------|---|

SUMMARY OF ISSUE DOCUMENT

SUMMARY OF BUSINESS

Our Company was originally incorporated as “Kizi Apparels Private Limited” at Jaipur, Rajasthan as a private limited company. Subsequently, our Company was converted into a public limited Company dated August 09, 2023. Further, our Company acquired the business undertaking of the sole proprietorship Concern of our Promoter and Managing Director, Abhishek Nathani, i.e., M/s Aaika Creations.

Our Company is led by our Promoter & Managing Director, Mr. Abhishek Nathani, who is in the field of garment designing, manufacturing and trading for last 6 years. He has established a proprietorship concern in the name and style of M/s. Aaika Creations, in November, 2017. M/s. Aaika Creations was started with a vision to bring a wave in the manufacturing industry in terms of meeting the end-to-end requirement of our customers enhancing the overall quality parameters.

Currently, Our Company is engaged in manufacturing and trading of readymade garments through our own Showrooms, distributors and malls and online platform. Women are quite possessive with the kind of choices when it comes to their clothing & styling. Majorly, there are 2 different categories in which the women’s wear is divided, Ethnic & Western Wear. We as a Company understood the requirement & hence created two different brands with different categories to cater to the need of the women. We have two brands, ‘Anutarra’ brand is for our ethnic women wear and “Kizi” is our western women wear.

Women’s ethnic & western wear encompass two distinct yet equally significant realms of fashion, each reflecting cultural influences, personal styles and occasions.

For more details, please refer chapter titled “Business Overview” on page 69 of this Draft Prospectus.

PROMOTER

The Promoter of our Company is Abhishek Nathani and Kiran Nathani.

For detailed information, please refer chapter titled, “Our Promoter” and “Our Promoter Group” on page number 104 of this Draft Prospectus.

ISSUE SIZE

Initial public issue of 26,58,000 equity shares of face value of Rs.10/- each of Kizi Apparels Limited (“KAL” or the “company” or the “issuer”) for cash at a price of Rs.21/- per equity share including a share premium of Rs.11/- per equity share (the “issue price”) aggregating to Rs.558.18 lacs (“the issue”), of which 1,38,000 equity shares of face value of Rs.10/- each for cash at a price of Rs.21/- per equity share including a share premium of Rs.11/- per equity share aggregating to Rs.28.98 lacs will be reserved for subscription by market maker to the issue (the “market maker reservation portion”). The issue less the market maker reservation portion i.e., net issue of 25,20,000 equity shares of face value of Rs.10/- each at a price of Rs.21/- per equity share aggregating to Rs.529.20 lacs is herein after referred to as the “net issue”. The issue and the net issue will constitute 33.99% and 32.23% respectively of the post issue paid up equity share capital of our company.

OBJECTS OF THE ISSUE

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

| Sr. No. | Particulars | Estimated Amount (Rs.In lakhs) |
|----------------------------------|-------------------------------|--------------------------------|
| 1. | Gross proceeds from the issue | 558.18 |
| 2. | Less: Issue related expenses | 60.00 |
| Net proceeds of the issue | | 498.18 |

Requirement of funds and utilization of Net Proceeds

| Sr. No. | Particulars | Estimated Amount (Rs.In lakhs) |
|--|---------------------------------------|--------------------------------|
| 1. | Repayment of unsecured Loans | 29.50 |
| 2. | Long-term Working capital requirement | 348.68 |
| 3. | General corporate purposes | 120.00 |
| Total utilization of net proceeds | | 498.18 |

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

| Sr. No | Name of share holder | Pre-issue | | Post Issue | |
|----------------------------|----------------------|---------------------|--------------------------|---------------------|--------------------------|
| | | No of equity shares | As a % of Issued Capital | No of equity shares | As a % of Issued Capital |
| (i) Promoter | | | | | |
| | Abhishek Nathani | 5151300 | 99.81 | 5151300 | 65.88 |
| | Kiran Nathani | 4000 | 0.08 | 4000 | 0.05 |
| | TOTAL (A) | 5155300 | 99.89 | 5155300 | 65.93 |
| (ii) Promoter Group | | | | | |
| | Rahul Sharma | 500 | 0.01 | 500 | 0.01 |
| | TOTAL (B) | 500 | 0.01 | 500 | 0.01 |
| (iii) Public | | | | | |
| | Raj Kumar Nathani | 500 | 0.01 | 500 | 0.01 |
| | Suchita Nathani | 500 | 0.01 | 500 | 0.01 |
| | Mit Shah | 400 | 0.01 | 400 | 0.01 |
| | Ranjan Sharma | 4000 | 0.08 | 4000 | 0.05 |
| | IPO | - | | 2658000 | 33.99 |
| | TOTAL (C) | 5400 | 0.11 | 2663400 | 34.07 |
| | TOTAL (A+B+C) | 5161200 | 100.00 | 7819200 | 100.00 |

SUMMARY OF FINANCIAL INFORMATION

| Particulars | 31st March, 2024 | 31st March, 2023 | 31st March, 2022 |
|--|------------------|------------------|------------------|
| Share Capital (Rs.in Lakhs) | 516.12 | 394.86 | 336.95 |
| Net worth (Rs.in Lakhs) | 587.49 | 394.86 | 336.95 |
| Revenue from Operation (Rs.in Lakhs) | 2,026.51 | 1,548.05 | 498.92 |
| Other Income (Rs.in Lakhs) | 0.86 | 1.45 | 40.25 |
| Profit after Tax (Rs.in Lakhs) | 72.21 | 54.97 | 20.64 |
| Earnings per share (Basic & diluted) (Rs.) | 1.40 | 1.07 | 0.40 |
| Net Asset Value per Equity Share (Basic & diluted) | 11.38 | 7.65 | 6.53 |
| Total borrowings (Rs.in Lakhs) | 514.61 | 310.96 | 242.73 |

SUMMARY OF RELATED PARTY TRANSACTIONS

Annexure 32: Related Party Transaction

i) Names of related parties and description of relationship with the company

A) Key Managerial Personnel and their Relatives

a. Abhishek Nathani - Director

b. Kiran Nathni - Director/CFO

c. Rajkumar Nathani - Relative of Director

d. Monica Mahaveer Jain- CS

Transaction and Balances

| Name | Relation | Nature of Transaction | F.Y. 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | |
|----------------------|--|------------------------------|------------------------------|---------|----------|----------------------------|---------|----------|----------------------------|---------|----------|
| | | | Outstanding as on 31.03.2024 | Debited | Credited | Outstanding as on 31.03.23 | Debited | Credited | Outstanding as on 31.03.22 | Debited | Credited |
| Abhishek Nathani | Director | Unsecured loan | 16.18 | 15.00 | 31.18 | - | | | - | - | - |
| | | Director Remuneration | 7.25 | 13.25 | 20.50 | | | | - | - | - |
| | | Reimbursement of Expenses | - | 28.52 | 28.52 | | | | - | - | - |
| | | Proprietor Capital Account | - | 402.25 | - | 402.25 | 243.85 | 301.33 | 344.77 | 37.21 | 80.30 |
| | | Share Capital | - | 516.11 | 516.11 | - | | | - | - | - |
| Rajkumar Nathani | Relative of Director | Loan & Advances | - | - | - | - | 23.35 | 25.35 | (2.00) | - | - |
| | | Salary Account | - | - | - | 0.01 | 0.92 | | 0.93 | 4.17 | 4.40 |
| Diva Enterprise | Enterprise in which director is interested | Purchase/Jobwork | - | - | - | - | 37.63 | 62.88 | (25.25) | 101.67 | 70.12 |
| | | Loan & Advances | - | - | - | - | - | 2.71 | (2.71) | | |
| Kiran Nathani | Director | Director Remuneration/Salary | 2.50 | 10.25 | 12.75 | - | - | - | - | 0.70 | - |
| | | Reimbursement of Expenses | 0.03 | 0.25 | 0.28 | - | - | - | - | - | - |
| | | Loan & Advances | - | - | - | - | 22.83 | 30.53 | (7.70) | 7.70 | 14.79 |
| | | Share Capital | - | 0.10 | 0.10 | - | - | - | - | - | - |
| Monica Mahaveer Jain | CS | Salary & Incentive | 0.26 | 1.75 | 2.01 | | | | | | |

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

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

| Sr. No | Name of Promoter | No of Equity Shares acquired in the last one year from the date of this Draft Prospectus | Weighted Average Cost of Acquisition (in Rs) |
|---------------|-------------------------|---|---|
| 1. | Abhishek Nathani | 5151300 | 9.97 |
| 2. | Kiran Nathani | 4000 | 24.63 |

AVERAGE COST OF ACQUISITION

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

| Sr. No. | Name of Promoter | No. of Equity Shares held | Average Cost of Acquisition in Rs. |
|----------------|-------------------------|----------------------------------|---|
| 1. | Abhishek Nathani | 5151300 | 9.97 |
| 2. | Kiran Nathani | 4000 | 24.63 |

SECTION II – RISK FACTORS

1. *Factual inaccuracy and irregularly in filing RoC Form PAS-3 for the allotment dated June 03, 2023.*

In past the Company has not filed the some of the E-Forms with the office of Registrar of Companies and paid additional fees. The irregularity in filing the forms may result into payment of additional fees and in case of non-filing of forms or returns company may face pecuniary action from the governing authorities, which may lead to penalty or other action by the appropriate authority, which may affect our financials and growth of the company in adverse manner. Further, Our Company has filed one RoC form with the factual inaccuracy and irregular till date. List of the factual inaccuracy found during the due diligence process are as under:

In relation to the allotment dated June 03, 2023 of 51,51,200 Equity Shares at a price of Rs. 10/- per Equity Share on a Preferential Basis (Acquisition of Proprietorship named M/s. Aaika Creations of Promoter Mr. Abhishek Nathani), the Company has not taken the Valuation Report from the Registered Valuer as per Provision of Companies Act, 2013. Though, the Company has taken the Valuation report from the Registered Valuer on April 20, 2024, for the betterment of compliance. As per the Valuation Report the valuer has given the price of Rs. 10/- per share based on the audited financial statement of the Company as on March 31, 2023. The Company has not received any notice for the same till date from the regulatory authority.

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

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

| (Rs.In Lacs) | | | |
|--|----------------|----------------|----------------|
| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Net Cash Generated from Operating Activities | (313.04) | (226.23) | (28.88) |

In past three Financial Years, the funds blocked in trade receivables and inventories are more than the fund generated by the Company from the business resulting into negative cash flow from operating activities. The negative cash flow from operating activity was finances through positive cash flow from the financial activities.

For details, please refer “Management’s Discussion and Analysis of Financial Conditions and Results of Operations of our Company” on page no. 135 of this Draft Prospectus.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

12. *Our top ten customers contribute majority of our revenues from operations. Any loss of business from one or more of them may adversely affect our revenues and profitability.*

Our top ten customers have contributed 96.38%, 95.13% and 81.86% of our revenues for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 based on Restated Financial Statements. However, our top customers may vary from period to period depending on the demand and thus the composition and revenue generated from these customers might change as we continue to add new customers in normal course of business. Details of our top customers is as follows:

| Customers | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|-----------|----------------|----------------|----------------|
| Top 1 | 20.91% | 19.92% | 30.98% |
| Top 2 | 36.13% | 35.05% | 42.79% |
| Top 3 | 50.98% | 48.31% | 53.91% |
| Top 5 | 77.45% | 71.13% | 69.96% |
| Top 10 | 96.38% | 95.13% | 81.86% |

Since our business is concentrated among few significant customers, we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business, we obtain from them is reduced for any reason, including but not limited on account of any dispute or disqualification.

Accordingly, we cannot assure you that the customers which contribute to the major part of our revenue stream will pay us the amounts due to us on time, or at all. In the event any of our significant customers fail to fulfil their respective obligations, our business, financial condition and results of operations would be adversely affected. While we believe we have maintained good and long-term relationships with our customers, there can be no assurance that we will continue to

have such long-term relationship with them. 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.

13. Our top ten suppliers contribute majority of our purchases. Any loss of business with one or more of them may adversely affect our business operations and profitability.

Our top ten suppliers have contributed 96.84%, 91.28% and 61.39% of our revenues for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 based on Restated Financial Statements. However, our top suppliers may vary from period to period depending on the demand-supply mechanism and thus the supply process from these suppliers might change as we continue to seek more cost effective suppliers in normal course of business. Details of our top suppliers is as follows:

| Suppliers | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|------------------|-----------------------|-----------------------|-----------------------|
| Top 1 | 16.47% | 14.28% | 26.49 % |
| Top 2 | 32.57% | 28.32% | 37.10% |
| Top 3 | 48.41% | 41.23% | 43.60% |
| Top 5 | 78.08% | 65.44% | 51.47% |
| Top 10 | 96.84% | 91.28% | 61.39% |

Since our business is concentrated among relatively significant suppliers, we could experience a reduction in our purchases and business operations if we lose one or more of these suppliers, including but not limited on account of any dispute or disqualification.

While we believe we have maintained good and long term relationships with our other suppliers too, there can be no assurance that we will continue to have such long term relationship with them. We cannot assure that we shall do the same quantum of business, or any business at all, with these customers, and loss of business with one or more of them may adversely affect our purchases and business operations.

THE ISSUE

The following table summarizes the Issue details:

| Particulars | Details of Equity Shares |
|--|---|
| Issue of Equity Shares by our Company | 26,58,000 Equity Shares of face value of Rs.10.00/- each fully paid-up for cash at price of Rs.21 per Equity Share aggregating to Rs.558.18 Lakhs |
| <i>Of Which</i> | |
| Market Maker Reservation Portion | 1,38,000 Equity Shares of face value of Rs.10.00/- each fully paid-up for cash at price of Rs.21 per Equity Share aggregating to Rs.28.98 Lakhs |
| Net Issue to the Public* | 25,20,000 Equity Shares of face value of Rs.10.00/- each fully paid-up for cash at price of Rs.21 per Equity Share aggregating to Rs.529.20 Lakhs |
| <i>Of Which</i> | |
| (A) Retail Portion | 12,60,000 Equity Shares of face value of Rs.10.00/- each fully paid-up for cash at price of Rs.21 per Equity Share aggregating to Rs.264.60 Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors |
| (B) Non – Institutional Portion | 12,60,000 Equity Shares of face value of Rs.10.00/- each fully paid-up for cash at price of Rs.21 per Equity Share aggregating to Rs.264.60 Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors. |

SUMMARY OF OUR FINANCIAL INFORMATION

Annexure 1: RESTATED STATEMENT OF ASSETS & LIABILITIES

(Rs.In Lakhs)

| Particulars | Annexure No. | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------|-----------------------|-----------------------|-----------------------|
| I.EQUITY AND LIABILITIES | | | | |
| 1 Shareholders' funds | | | | |
| (a) Share capital/Proprietor's Capital | 5&6 | 516.12 | 394.86 | 336.95 |
| (b) Reserves and surplus | 7 | 71.37 | - | - |
| 2 Non-current liabilities | | | | |
| (a) Long-term borrowings | 8 | 206.22 | 76.00 | 78.15 |
| (b) Deferred tax liabilities (Net) | 30 | 3.43 | 0.35 | - |
| (c) Long-term Provisions | | - | - | - |
| 3 Current liabilities | | | | |
| (a) Short-term borrowings | 9 | 308.39 | 234.96 | 164.58 |
| (b) Trade payables | 10 | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 1.38 | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 198.32 | 394.09 | 130.27 |
| (c) Other current liabilities | 11 | 15.17 | 6.83 | 6.76 |
| (d) Short-term provisions | 12 | 19.89 | 28.01 | 8.43 |
| TOTAL | | 1,340.30 | 1,135.10 | 725.14 |
| II. ASSETS | | | | |
| 1 Non-current assets | | | | |
| (a) Property Plant and Equipments | | | | |
| (i) Tangible assets | 13 | 33.93 | 41.55 | 42.33 |
| (ii) Intangible Assets | 13 | 100.56 | 0.21 | 0.30 |
| (iii) Capital Work in Progress | | - | - | - |
| Total | | 134.49 | 41.76 | 42.63 |
| (b) Non Current Investments | 14 | - | - | 171.44 |
| (c) Long-term loans and advances | 15 | 4.42 | 3.22 | 10.75 |
| (d) Other Non Current Assets | | - | - | - |
| (e) Deferred Tax Assets | 30 | - | - | 0.46 |
| 2 Current assets | | | | |
| (a) Inventories | 16 | 666.48 | 480.15 | 268.29 |
| (b) Trade receivables | 17 | 462.00 | 534.47 | 78.58 |
| (c) Cash and cash equivalents | 18 | 20.13 | 57.11 | 80.53 |
| (d) Short-term loans and advances | 19 | 52.78 | 18.39 | 69.05 |
| (e) Other Current Assets | 20 | - | - | 3.40 |
| TOTAL | | 1,340.30 | 1,135.10 | 725.14 |

Annexure: 2 RESTATED STATEMENT OF PROFIT & LOSS**(Rs.in Lakhs)**

| Particulars | | Annexure No. | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-------------|---|--------------|--------------------------------------|------------------------------------|------------------------------------|
| I. | Revenue from operations | 22 | 2,026.51 | 1,548.05 | 498.92 |
| II. | Other income | 23 | 0.86 | 1.45 | 40.25 |
| III. | Total Income (I + II) | | 2,027.37 | 1,549.50 | 539.17 |
| IV. | Expenses: | | | | |
| | Cost of Material Consumed | 24 | 1,791.87 | 1,305.08 | 387.74 |
| | Changes in inventories of Finished Goods and Work in Progress | 25 | (145.46) | (302.37) | (68.13) |
| | Employee benefits expense | 26 | 66.82 | 162.96 | 53.24 |
| | Finance costs | 27 | 62.36 | 41.62 | 23.73 |
| | Depreciation and amortization expense | 28 | 17.83 | 7.03 | 7.94 |
| | Other expenses | 29 | 138.77 | 259.60 | 108.55 |
| | Total expenses | | 1,932.19 | 1,473.92 | 513.07 |
| V. | Profit before tax (III-IV) | | 95.18 | 75.58 | 26.10 |
| VI | Tax expense: | | | | |
| | (1) Current tax | | 19.89 | 19.80 | 5.67 |
| | (2) Deferred tax | | 3.08 | 0.81 | (0.21) |
| | (3) MAT Credit Entitlement | | - | - | - |
| VII | Profit (Loss) for the period (V-VI) | | 72.21 | 54.97 | 20.64 |
| VIII | Earnings per equity share: | | | | |
| | (1) Basic (Adjusted) | | 1.40 | 1.07 | 0.40 |
| | (2) Diluted (Adjusted) | | 1.40 | 1.07 | 0.40 |

Annexure : 3 RESTATED STATEMENT OF CASHFLOW

(Rs.in Lakhs)

| Particulars | For the Period ended 31st March 2024 | | For the year ended 31st March 2023 | | For the year ended 31st March 2022 | |
|---|---|-----------------|---------------------------------------|-----------------|---------------------------------------|----------------|
| Cash flow from Operating Activities | | | | | | |
| Net Profit Before tax as per Statement of Profit & Loss | | 95.18 | | 75.58 | | 26.10 |
| Adjustments for : | | | | | | |
| Depreciation & Amortisation Exp. | 17.83 | | 7.03 | | 7.94 | |
| Interest Income | - | | (0.45) | | (0.65) | |
| Profit on Sale of Investments | - | | - | | (26.14) | |
| Dividend Income | - | | - | | (0.55) | |
| Finance Cost | (62.36) | (44.53) | 41.62 | 48.20 | 23.73 | 4.33 |
| Operating Profit before working capital changes | | 50.65 | | 123.78 | | 30.43 |
| Changes in Working Capital | | | | | | |
| Dec/(Inc) Trade receivable | 72.47 | | (455.89) | | 3.85 | |
| Dec/(Inc) Other Loans and advances receivable | (34.39) | | 50.66 | | (4.20) | |
| Dec/(Inc) Inventories | (186.33) | | (211.86) | | (115.24) | |
| Dec/(Inc) Other Current Assets | - | | 3.40 | | - | |
| Inc/(Dec) Trade Payables | (195.77) | | 263.82 | | 56.82 | |
| Inc/(Dec) Other Current Liabilities | 8.34 | | 0.07 | | 0.57 | |
| Inc/(Dec) Short term Provisions | (8.12) | | 19.59 | | 4.56 | |
| | | (343.80) | | (330.21) | | (53.64) |
| Net Cash Flow from Operation | | (293.15) | | (206.43) | | (23.21) |
| Less : Income Tax paid | | 19.89 | | 19.80 | | 5.67 |
| Net Cash Flow from Operating Activities (A) | | (313.04) | | (226.23) | | (28.88) |
| Cash flow from investing Activities | | | | | | |
| Purchase of Fixed Assets/Goodwill from takeover | (111.73) | | (6.16) | | (1.79) | |
| Profit on Sale of Investment | - | | - | | 26.14 | |
| Dividend Income | - | | - | | 0.55 | |
| Interest Income | - | | 0.45 | | 0.65 | |
| Changes in Non-Current Investments | - | | 171.44 | | | |
| Movement in Loans & Advances | (1.20) | | 7.53 | | - | |
| | | (112.93) | | 173.71 | | 3.18 |
| Net Cash Flow from Investing Activities (B) | | (112.93) | | 173.71 | | 3.18 |
| Cash Flow From Financing Activities | | | | | | |
| Proceeds From long Term Borrowing (Net) | 137.29 | | (2.15) | | 33.64 | |
| Short Term Borrowing (Net) | 66.36 | | 69.93 | | 17.37 | |
| Interest Paid | 62.36 | | (41.62) | | (23.73) | |
| Changes in Proprietor Capital | | | 2.94 | | 17.88 | |
| Issue of Shares | 122.98 | 388.99 | - | 29.10 | - | 45.16 |
| Net Cash Flow from Financing Activities (C) | | 388.99 | | 29.10 | | 45.16 |
| Net (Decrease)/ Increase in Cash & Cash Equivalents(A+B+C) | | (36.98) | | (23.42) | | 19.46 |
| Opening Cash & Cash Equivalents | | 57.11 | | 80.54 | | 61.07 |
| Cash and cash equivalents at the end of the period | | 20.13 | | 57.12 | | 80.53 |
| Cash And Cash Equivalents Comprise: | | | | | | |
| Cash | | 16.66 | | 11.40 | | 60.76 |
| Bank Balance : | | | | | | |
| Current Account | | 3.47 | | 45.71 | | 17.27 |
| Card Balance | | - | | - | | 2.50 |
| Total | | 20.13 | | 57.11 | | 80.54 |

GENERAL INFORMATION

Board of Directors of our Company

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

| Sr No | Name | Designation | DIN | Address |
|-------|------------------|------------------------|----------|--|
| 1. | Abhishek Nathani | Managing Director | 10086861 | 502, Shivgyan Heights, DCM Ajmer Road, Jaipur, Rajasthan – 302019 |
| 2. | Kiran Nathani | Executive Director | 10086860 | Flat no 502, Shivgyan Heights, Nirman Nagar, DCM Main Ajmer Road, Nirman Nagar, Jaipur, Rajasthan – 302019 |
| 3. | Avani Shah | Independent director | 09608898 | 5, Sambhavnath Apartment, above Dena Bank, Jawaherchowk Sabarmati, Ahmedabad-380005 |
| 4. | Juhi Sawajani | Independent director | 09811893 | Thikadar pada, tittagarh, Balangir, Odisha- 767033 |
| 5. | Ajay Mishra | Non-Executive Director | 07495905 | Santlal Mishra, Mishra Bhawan Ward 20, Hanumangarh, Bhadra, Rajasthan- 335501 |

For further details of our directors, please refer chapter titled “*Our Management*” beginning on page 95 of this Draft Prospectus.

CAPITAL STRUCTURE

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

Amount (Rs.in Lacs except share data)

| Sr. No. | Particulars | Aggregate nominal value | Aggregate value at Issue Price |
|-----------|--|-------------------------|--------------------------------|
| A. | AUTHORISED SHARE CAPITAL | | |
| | 80,00,000 Equity Shares of face value of Rs.10 each | 800.00 | |
| B. | ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL BEFORE THE ISSUE | | |
| | 51,61,200 fully paid Equity Shares of face value of Rs.10 each | 516.12 | |
| C. | PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS# | | |
| | Issue of 26,58,000 Equity Shares of face value of Rs.10 each at a premium of Rs.11 per share | 265.80 | 558.18 |
| | Which Comprises: | | |
| (I) | Reservation for Market Maker 1,38,000 Equity Shares of face value of Rs.10 each at a premium of Rs.11 will be available for allocation to Market Maker | 13.80 | 28.98 |
| (II) | Net Issue to the Public 25,20,000 Equity Shares of face value of Rs.10 each at a premium of Rs.11 per share | 252.00 | 529.20 |
| | Of Net Issue to the Public | | |
| (I) | 12,60,000 Equity Shares of face value of Rs.10 each at a premium of Rs.11 per share shall be available for allocation for Investors applying for a value of upto Rs.2 Lakh | 126.00 | 264.60 |
| (II) | 12,60,000 Equity Shares of face value of Rs.10 each at a premium of Rs.11 per share shall be available for allocation for Investors applying for a value above Rs.2 Lakh | 126.00 | 264.60 |
| D. | ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE PRESENT ISSUE | | |
| | 78,19,200 Equity Shares of Rs.10 each | 781.92 | |
| E. | SHARE PREMIUM ACCOUNT | | |
| | Share Premium account before the Issue | | - |
| | Share Premium account after the Issue | | 398.70 |

6. Except stated below, Our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Prospectus at a price lower than the Issue price:

| Date of Allotment | No. of Total Equity Shares allotted | Face Value (Rs.) | Issue Price (Rs.) | Name of Allottees | No. of Shares Allotted | Nature of Allotment / Reason | Promoter / Promoter Group | Benefit Accrued |
|-------------------|-------------------------------------|------------------|-------------------|-------------------|------------------------|---------------------------------|---------------------------|--|
| March 24, 2023 | 10,000 | 10 | 10 | Abhishek Nathani | 9900 | Subscribers to the MoA | Promoter | Subscribers to the MoA |
| | | | | Kiran Nathani | 100 | | Promoter Group | |
| June 03, 2023 | 51,51,200 | 10 | 10 | Abhishek Nathani | 51,51,200 | Allotment on Preferential Basis | Promoter | Taking over of Proprietorship Business |

i. Summary of Shareholding Pattern:

| Category (I) | Category of shareholder (II) | Nos of shareholders (III) | No of fully paid-up equity shares held (IV) | No of Partly paid-up equity shares held (V) | No of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | No of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|--------------|--------------------------------------|---------------------------|---|---|--|--|--|---|-------------------------|---|--|----------------------------------|---------------------------------|---|---------------------------------|---|
| | | | | | | | | No of Voting Rights | Total as a % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (A) | Promoter & Promoter Group | 2 | 5155300 | 0 | 0 | 5155300 | 99.89 | 5155300 | 99.89 | 0 | 0 | | | 0 | 0 | 5155300 |
| (B) | Public | 5 | 5900 | 0 | 0 | 5900 | 00.11 | 5900 | 00.11 | 0 | 0 | 0 | 0 | 0 | 0 | 5900 |
| (C) | Non Promoter-Non Public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N.A | N.A | 0 |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N.A | N.A | 0 |
| (C2) | Shares held by Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N.A | N.A | 0 |
| | TOTAL | 7 | 5161200 | 0 | 0 | 5161200 | 100 | 5161200 | 100.00 | 0 | 0 | | | N.A | N.A | 5161200 |

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

8. The shareholding pattern before and after the Issue:

| Sr. No | Name of share holder | Pre-issue | | Post Issue | |
|----------------------------|----------------------|---------------------|--------------------------|---------------------|--------------------------|
| | | No of equity shares | As a % of Issued Capital | No of equity shares | As a % of Issued Capital |
| (i) Promoter | | | | | |
| | Abhishek Nathani | 5151300 | 99.81 | 5151300 | 65.88 |
| | Kiran Nathani | 4000 | 0.08 | 4000 | 0.05 |
| | TOTAL (A) | 5155300 | 99.89 | 5155300 | 65.93 |
| (ii) Promoter Group | | | | | |
| | Rahul Sharma | 500 | 0.01 | 500 | 0.01 |
| | TOTAL (B) | 500 | 0.01 | 500 | 0.01 |
| (iii) Public | | | | | |
| | Raj Kumar Nathani | 500 | 0.01 | 500 | 0.01 |
| | Suchita Nathani | 500 | 0.01 | 500 | 0.01 |
| | Mit Shah | 400 | 0.01 | 400 | 0.01 |
| | Ranjan Sharma | 4000 | 0.08 | 4000 | 0.05 |
| | IPO | - | | 2658000 | 33.99 |
| | TOTAL (C) | 5400 | 0.11 | 2663400 | 34.07 |
| | TOTAL (A+B+C) | 5161200 | 100.00 | 7819200 | 100.00 |

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

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

| Date of Allotment / Transfer | Nature of Issue/ Allotment (Bonus, Rights etc) | Consideration | No. of Equity Shares | Cumulative No. of Equity Shares | Face Value (Rs.) | Issue/ Transfer Price | % of total Issued Capital | | Lock In |
|------------------------------|--|-----------------|----------------------|---------------------------------|------------------|-----------------------|---------------------------|--------------|---------|
| | | | | | | | Pre-Issue | Post-Issue | |
| (A) Abhishek Nathani | | | | | | | | | |
| March 24, 2023 | On Incorporation | Cash | 9900 | 9900 | 10 | 10 | 00.19 | 0.13 | 1 year |
| June 03, 2023 | Preferential Allotment | Other than cash | 1563840 | 1573740 | 10 | 10 | 30.30 | 20.00 | 3 Years |
| | | | 3577560 | 5151300 | 10 | 10 | 69.32 | 45.75 | 1 year |
| | | | 9800 | 5161100 | 10 | 10 | 0.19 | 0.13 | 1 Year |
| July 04, 2023 | Transferred | Cash | -500 | 5160600 | 10 | 25 | - | - | - |
| July 05, 2023 | Transferred | Cash | -500 | 5160100 | 10 | 25 | - | - | - |
| July 19, 2023 | Transferred* | Cash | -400 | 5159700 | 10 | 10 | - | - | - |
| July 19, 2023 | Transferred | Cash | -500 | 5159200 | 10 | 25 | - | - | - |
| July 19, 2023 | Transferred | Cash | -4000 | 515520 | 10 | 25 | - | - | - |
| July 19, 2023 | Transferred | Cash | -3900 | 5151300 | 10 | 25 | - | - | - |
| | TOTAL (A) | | | 51,51,300 | | | 99.81 | 65.88 | |

| Date of Allotment / Transfer | Nature of Issue/ Allotment (Bonus, Rights etc) | Consideration | No. of Equity Shares | Cumulative No. of Equity Shares | Face Value (Rs.) | Issue/ Transfer Price | % of total Issued Capital | | Lock In |
|------------------------------|--|---------------|----------------------|---------------------------------|------------------|-----------------------|---------------------------|------------|---------|
| | | | | | | | Pre-Issue | Post-Issue | |
| (B) Kiran Nathani | | | | | | | | | |
| March 24, 2023 | On Incorporation | Cash | 100 | 100 | 10 | 10 | Negligible | Negligible | - |
| July 19, 2023 | Transferred | Cash | 3900 | 4000 | 10 | 25 | 0.08 | 0.05 | - |

* The Share has been transferred below the issue price.

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

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

| Date of transaction | Name of the Promoter/ Director/ Promoter Group. | Purchased /sold | No. of shares |
|---------------------|---|-----------------|---------------|
| July 04, 2023 | Abhishek Nathani | Sold | 500 |
| July 05, 2023 | Abhishek Nathani | Sold | 500 |
| July 19, 2023 | Abhishek Nathani | Sold | 400 |
| July 19, 2023 | Abhishek Nathani | Sold | 500 |
| July 19, 2023 | Abhishek Nathani | Sold | 4000 |
| July 19, 2023 | Abhishek Nathani | Sold | 3900 |
| July 19, 2023 | Kiran Nathani | Purchased | 3900 |
| TOTAL | | | 13700 |

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

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoter shall be considered as Promoter's Contribution ("Promoter's Contribution") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Prospectus, our Promoter hold 51,51,300 Equity Shares constituting 65.88 % of the Post – Issued, subscribed and paid-up Equity Share Capital of our Company, and the promoter will contribute Additional amount of ₹ 1,72,02,240/- in the escrow account before the opening of issue of the Issuer company pursuant to differential amount of issue price and price of the allotment of securities to the promoter within the one year from the date of draft prospectus which are eligible for the Promoter's contribution

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

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

- Equity Shares acquired three years preceding the date of this Prospectus for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoter's Contribution.
- The Equity Shares acquired during the year preceding the date of this Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in this Issue is not part of the minimum promoter's contribution.
- The Equity Shares held by the Promoter's and offered for minimum 20% Promoter's Contribution are not subject to any pledge or any other form of encumbrances.
- The Equity Shares in Promoter's Contribution does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies

Specific written consent has been obtained from the Promoters for inclusion of 15,63,840 Equity Shares for ensuring lock-in of three years to the extent of minimum 20.00% of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.

SECTION IV - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The present Public Issue of 26,58,000 Equity Shares at an issue price of Rs.21 per Equity Share.

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

1. Repayment of unsecured Loans
2. Long-term Working capital requirement
3. General Corporate Purpose,
4. Meeting Public Issue Expenses.

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

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

Net Proceeds

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

| Sr. No. | Particulars | Estimated Amount (Rs.In lakhs) |
|----------------------------------|-------------------------------|--------------------------------|
| 3. | Gross proceeds from the issue | 558.18 |
| 4. | Less: Issue related expenses | 60.00 |
| Net proceeds of the issue | | 498.18 |

Requirement of funds and utilization of Net Proceeds

| Sr. No. | Particulars | Estimated Amount (Rs.In lakhs) |
|--|---------------------------------------|--------------------------------|
| 4. | Repayment of unsecured Loans | 29.50 |
| 5. | Long-term Working capital requirement | 348.68 |
| 6. | General corporate purposes | 120.00 |
| Total utilization of net proceeds | | 498.18 |

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

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

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “*Risk Factors*” beginning on page. 19 of this Draft Prospectus.

Schedule of implementation and Deployment of Net Proceeds

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

(Rs.In lakhs)

| Sr. No. | Particulars | Total Estimated Cost | Amount already deployed | Promoter's Contribution through Pre IPO Capital | Estimated utilization of net proceeds in FY 2024-2025 |
|---------|---|----------------------|-------------------------|---|---|
| 1. | Repayment of unsecured Loans | 29.50 | 0 | 0.00 | 29.50 |
| 2. | Long-term Working capital requirement | 425.00 | 0 | 76.32 | 348.68 |
| 3. | General corporate purposes ¹ | 150.00 | 0 | 30.00 | 120.00 |
| | Total | 604.50 | 0 | 106.32 | 498.18 |

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

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2024-25. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2024-25 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

Means of Finance

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

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

DETAILS OF THE OBJECTS OF THE ISSUE

Repayment of Unsecured Loan

The Company had availed unsecured loans from various NBFCs for meeting incremental working capital requirement. The detailed breakup of the various limits is as follow.

(Rs.In Lacs except

EMI)

| Sr. No. | Name of the NBFC | Amount Sanctioned | Date of Sanction | Outstanding amount as on 30.09.2023 | EMI | Rate of Interest | Purpose for which loan utilised | Prepayment Charges |
|---------|------------------------------|-------------------|-------------------|-------------------------------------|-------|------------------|---------------------------------|--------------------|
| 1 | Hero Fincorp Limited | 7.08 | February 03, 2022 | 1.36 | 35360 | 18% | Working capital | |
| 2 | Aditya Birla Finance Limited | 15.00 | January 31, 2022 | 8.06 | 53854 | 17.50% | Working capital | |
| 3 | Poonawala Fincorp | 20.00 | January 31, 2022 | 10.82 | 72561 | 18% | Working capital | 5% of outstanding |

| | | | | | | | | |
|---|--|-------|----------------|--------------|--------|--------|-----------------|--|
| | Limited | | | | | | | Principal amount |
| 4 | Choice FinServ private Limited | 25.00 | July 28, 2022 | 21.30 | 63484 | 18% | Working capital | |
| 5 | Mahindra and Mahindra Financial Services Limited | 25.10 | March 17, 2023 | 22.56 | 92036 | 18.50% | Working capital | 3% of the outstanding principal Amount |
| 6 | Ashv Finance Limited | 30.00 | March 24, 2023 | 26.79 | 109969 | 19% | Working capital | 5% of outstanding Principal amount |
| 7 | Mas Financial Services Limited | 50.00 | June 30, 2023 | 47.89 | 180792 | 18% | Working Capital | |
| | Total | | | 90.89 | | | | |

We intend to utilise the amount of Rs.29.50 lacs from the net proceeds towards repayment of loans borrowed by the Company from NBFCs. The high Interest rate affect the profitability of the Company. The repayment of of loan will reduce the interest cost and cash flow will be utilised for working capital.

1) LONG TERM WORKING CAPITAL REQUIREMENTS

The Company is in the Business of producing customized goods according to buyer specifications, crafting garments based on their designs and quality standards. These garments are then labelled with the customer's brand and distributed/delivered to their desired locations. The company had achieved the growth of 210% in FY 2022-23 in comparison of FY 2021-22 and 30.96% in FY 2023-24 in compare to FY 2022-23. The management estimate the additional working capital requirement in the future.

As on March 31, 2024 the Company's net working capital consisted of Rs.968.01 Lakhs as against the Rs.661.19 lakhs as on March 31, 2023. The Net working capital requirement for current financial year F.Y. 2024-25 is estimated to be Rs.1429.53 Lakhs. As on the date of this Draft Prospectus we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, unsecured loans, working capital loans from the Banks etc.

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

(Rs.In Lacs)

| Particulars | 31.03.2022 | 31.03.2023 | 31.03.2024 | 31.03.2025 |
|-------------------------------|---------------|----------------|----------------|----------------|
| Inventories | 268.29 | 480.15 | 666.48 | 833.23 |
| Trade Receivables | 78.58 | 534.47 | 462.00 | 932.05 |
| Cash and Bank Balances | 80.53 | 57.11 | 20.13 | 75.33 |
| Short term loans and Advances | 69.05 | 18.39 | 52.78 | 25.00 |
| Other current Assets | 3.4 | | | |
| Other Non Current Assets | | | | |
| Total | 499.85 | 1090.12 | 1201.39 | 1865.61 |
| Less : | | | | |
| Trade Payables | 130.27 | 394.09 | 198.32 | 426.08 |
| other Current Liabilities | 6.76 | 6.83 | 15.17 | 10.00 |
| Shorrt Term Provisions | 8.43 | 28.01 | 19.89 | 30.00 |
| Total Liabilities | 145.46 | 428.93 | 233.38 | 436.08 |

| | | | | |
|--|--------|--------|--------|---------------|
| Net Working Capital | 354.39 | 661.19 | 968.01 | 1429.53 |
| Less : Bank Borrowings | 133.65 | 182.3 | 252.55 | 200 |
| Balance | 220.74 | 478.89 | 715.46 | 1229.53 |
| Financed through Capital Internal Cash Accruals | 111.66 | 350.24 | 453.4 | 428.83 |
| Long term (unsecured From NBFC) | 109.08 | 128.65 | 262.06 | 250.00 |
| Differential amount brought in by promoter to eligible for minimum contributions | | | | 172.02 |
| Fund from IPO | | | | 348.68 |

Assumptions for working capital requirements

| Particulars | No. of Days outstanding or holding level as on | | | F.Y.2024-25 (Estimated) |
|-------------------|--|--------------|--------------|----------------------------|
| | F.Y. 2021-22 | F.Y. 2022-23 | F.Y. 2023-24 | |
| Inventories | 336 | 176 | 176 | 176 |
| Trade Receivables | 57 | 126 | 126 | 126 |
| Trade Payables | 165 | 145 | 90 | 90 |

Justification:

| | |
|-------------------------------------|--|
| Inventories | Throughout F.Y. 2022 our average inventory turnover days were 336.00 days, reflecting the effect of COVID-19 period. Subsequently, there was a sharp decrease to 176 days in F.Y. 2023 driven by increased efficiency and the realization of economies of scale. In F.Y. 2024, Our Company has maintained the same and looking forward for the F.Y. 2025, we have assumed the same inventory turnover ratio throughout the year. |
| Trade Receivables | In F.Y. 2021-22, it took 57 days, which then increased to 126 days in F.Y. 2022-23 and remained the same in F.Y. 2023-24. A significant increase in trade receivables days is due to our plans to engage with new clients and extend longer credit periods as part of our strategy to build stronger relationships. In F.Y. 2025 we will maintain the same credit period for our debtor's. |
| Trade Payables | In F.Y. 2021-22, it was 165 days, which decreased to 145 days in F.Y. 2022-23, and further decreased to 90 days in F.Y. 2023-24. A reduction in trade payables days is to maintain relationships with suppliers and negotiated better payment terms. Looking ahead to F.Y. 2025, we will continue the trade payable average days at 90 only. |
| Short term loan and advances | Loans and advances mainly include advance to Government authorities and Advance to suppliers for services/goods. Loans and advances are estimated based on previous year's outstanding amount and for expected Business requirement of company. |
| Other current Liabilities | Other Current Liabilities mainly include Salary Payable and Statutory Remittance. Other current liabilities are estimated based on previous year's outstanding amount and for expected Business requirement of company. |
| Short Term Provision | Short-Term Provisions mainly include Provision for Income Tax. Short-term provisions are estimated based on expected growth of company. |

2. General corporate purposes

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

Our management will have flexibility in applying Rs.150.00 lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies etc or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of

funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company from time to time.

Issue Related Expenses

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

| Activity | Estimated expenses (Rs.in lakhs) | As a % of total estimated issue related expenses | As a % of Gross Issue Size |
|---|----------------------------------|--|----------------------------|
| Lead Manger Fees including Underwriting Commission. | 24.00 | 40.00 | 3.61 |
| Brokerage, selling commission and upload fees | 2.00 | 3.33 | 0.30 |
| Registrar to the Issue | 1.00 | 1.67 | 0.15 |
| Legal Advisors | 3.00 | 5.00 | 0.45 |
| Advertising and marketing expenses | 5.00 | 8.33 | 0.75 |
| Regulators including stock exchanges | 10.00 | 16.67 | 1.50 |
| Printing and distribution of issue stationary | 3.00 | 5.00 | 0.75 |
| Others (Market Making fees etc.) | 12.00 | 20.00 | 1.81 |
| Total estimated issue related expenses | 60.00 | 100.00 | 9.03 |

BASIS FOR ISSUE PRICE

The following changes will be made in Prospectus

1) Basic and Diluted Earnings Per Share (EPS)

| Year ended | Weights | Basic and Diluted EPS |
|------------------------------|----------|-----------------------|
| March 31, 2022 | 1 | 0.40 |
| March 31, 2023 | 2 | 1.07 |
| March 31, 2024 | 3 | 1.40 |
| Weightage Average EPS | 6 | 1.12 |

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

2) Price to Earnings (P/E) ratio in relation to Issue Price Rs.21 per Equity Share of Rs.10.00/- each fully paid up

| Particulars | P/E ratio |
|---|-----------|
| P/E ratio based on Basic and diluted EPS as at March 31, 2024 | 15.00 |
| Industry | |
| Highest | 25.54 |
| Lowest | 12.11 |
| Average | 18.83 |

3) Return on Net worth (RoNW)

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

| Year Ended | RONW (%) | Weight |
|--------------------------|----------|--------------|
| March 31, 2022 | 6.13 | 1 |
| March 31, 2023 | 13.92 | 2 |
| March 31, 2024 | 12.29 | 3 |
| Weightage Average | | 11.81 |

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

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

4) Net Asset Value (NAV)

| Particulars | Rs.per share |
|---|--------------|
| Net Asset Value per Equity Share as of March 31, 2024 | 11.38 |
| Net Asset Value per Equity Share after IPO | 14.65 |
| Issue Price | 21.00 |

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

$$\text{NAV} = \frac{\text{Net worth excluding revaluation reserve}}{\text{Total number of equity shares outstanding}}$$

Outstanding number of Equity shares outstanding during the year

5) Comparison with industry peers

| Companies | CMP* | EPS | PE Ratio | RONW (%) | NAV (Per Share) | Face Value | Total Income (Rs.in Lakhs) |
|------------------------------|---------|------|----------|----------|-----------------|------------|----------------------------|
| Kizi Apparels Limited ## | 21.00** | 1.40 | 15.00 | 12.29 | 11.38 | 10.00 | 2027.37 |
| Peer Group | | | | | | | |
| Thomas Scott (India) Limited | 133.30 | 5.22 | 25.54 | 20.15 | 22.56 | 10.00 | 6,281.58 |
| Bizotic Commercial Limited | 59.57 | 4.92 | 12.11 | 31.86 | 15.00 | 10.00 | 6,556.65 |

*CMP as on March 31, 2024

** CMP of our company is considered as an Issue Price.

Amount taken as on March 31, 2024

Source: www.bseindia.com

Notes:

- Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above company is included for broad comparison.
- The figures for Kizi Apparels Limited, are based on the restated standalone financial statements for the year ended March 31, 2024.
- The figures are based on the Standalone financial statements for the year ended March 31, 2023 of Thomas Scott (India) Limited and Bizotic Commercial Limited from the Annual reports of the Companies available from the website of the Stock Exchange and website of the Companies.
- CMP of the peer group is as per the closing price as available on www.bseindia.com
- P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on October 12, 2023 sourced from website of Stock Exchange as divided by the Basic/diluted EPS as applicable.

For further details, please refer section titled “Risk Factors” beginning on page 17 of this Draft Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 108 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value is Rs.10.00/- per Equity Share and the Issuer Price Rs.21 has been determined by the Issuer in consultation with the Lead Manager and is justified by the company in consultation with the Lead Manager on the basis of above information.

Financial KPI of our Company

| Sr No. | Metric | As of and for the Fiscal | | |
|--------|-----------------------------|--------------------------|----------------|----------------|
| | | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| 1 | Total Income | 2,027.37 | 1,549.50 | 539.17 |
| 2 | Current Ratio | 2.21 | 1.64 | 1.61 |
| 3 | Debt Equity ratio | 0.88 | 0.79 | 0.72 |
| 4 | EBDITA | 161.34 | 115.75 | 13.27 |
| 5 | Operating EBDITA Margin (%) | 7.96 | 7.47 | 2.46 |
| 6 | PAT | 72.21 | 54.97 | 20.64 |
| 7 | Net profit Ratio | 0.04 | 0.04 | 0.04 |
| 8 | Return on Equity ratio | 0.15 | 0.15 | 0.06 |
| 9 | Return on Capital Employed | 0.14 | 0.17 | 0.09 |

Notes:

- a) As certified by the Statutory Auditor vide their certificate dated April 24, 2023 bearing UDIN: 24115279BKBWET3768
- b) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities
- c) Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term-borrowings) by total equity (which includes issued capital and all other equity reserves).
- d) Return on equity (RoE) is equal to profit for the year divided by the total equity during that period and is expressed as a percentage.
- e) Operating EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. Operating EBITDA excludes other income.
- f) Operating EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- g) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our total revenue.
- h) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total equity plus Reserves & Surplus.

Comparison of key performance indicators with Peer Group Companies

(Rs.in Lacs)

| Sr. No | Key Performance Indicators | Kizi Apparels Limited * | Thomas Scott (India) Limited## | Bizotic Commercial Limited## |
|--------|----------------------------|-------------------------|--------------------------------|------------------------------|
| 1 | Total Income | 2,027.37 | 6,278.95 | 6515.73 |
| 2 | current Ratio | 2.21 | 1.67 | 1.21 |
| 3 | Debt Equity Ratio | 0.88 | 3.75 | 0.51 |
| 4 | EBDITA | 161.34 | 468.11 | 440.82 |
| 5 | Operating EBDITA Margin | 7.96 | 7.46 | 6.77 |
| 6 | PAT | 72.21 | 288.97 | 268.67 |
| 7 | Net profit Ratio | 0.04 | 0.05 | 0.04 |
| 8 | Return on Equity | 0.15 | 0.20 | 0.32 |
| 9 | Return on Capital Employed | 0.14 | 0.16 | 0.70 |

* Key Performance Indicators are as on March 31, 2024.

Key Performance Indicators are as on March 31, 2023

Weighted average cost of acquisition (“WACA”), floor price and cap price

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

The details of the Equity during the 18 months preceding the date of this prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuance”) are as follows:

| Date of allotment | No. of equity shares allotted | Face value per equity share (Rs.) | Issue price per equity share (Rs.) | Nature of allotment | Nature of consideration | Total Consideration (in Rs.lakhs) |
|-------------------|-------------------------------|-----------------------------------|------------------------------------|------------------------|-------------------------|-----------------------------------|
| June 03, 2023 | 51,51,200 | 10 | 10 | Preferential Allotment | other than cash | 51,61,200 |

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

The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the secondary sale / acquisition of Equity Shares or convertible securities involving Promoter, Promoter Group during the 18 months preceding the date of filing of this Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this prospectus , where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

For further details, please refer section titled “*Risk Factors*” beginning on page 17 of this Draft Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 108 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value is Rs.10.00/- per Equity Share and the Issue Price Rs.21 has been determined by the Issuer in consultation with the Book Running Lead Manager and is justified by the company in consultation with the Lead Manager on the basis of above information.

BUSINESS OVERVIEW

The following changes will be made in Prospectus

Our journey so far

Our Company is led by our Promoter & Managing Director, Mr. Abhishek Nathani, who is in the field of garment designing, manufacturing and trading for last 6 year. He has established proprietorship concern in the name and style of M/s. Aaika Creations, in November, 2017. M/s. Aaika Creations was started with a vision to bring a wave in the manufacturing industry in terms of meeting the end-to-end requirement of our customers enhancing the overall quality parameters. In Aaika Creations, he started off with some small & medium sized brands which could give him some consistent business and also, he can place himself in the market with bigger brands. His first year was with full of struggle as he was in the process of getting the knowledge and intricacy of the business & its loop holes, however, he focuses on the business potentiality. In initial years of his business, he focused on building up a strong team and strengthening roots in the market, studying the scope and opportunities in the business.

Currently Our Company is engaged in manufacturing and trading of readymade garments through our own Showrooms, distributors and malls and online platform. Mr. Abhishek Nathani, as founders of the Company our promoter knew that he will have to build up a USP (Unique Selling Products) for our Company in order to sustain and grow in right direction in the market. According to his study and survey of the market he found that there is a huge gap in the demand and supply of premium quality products in the market. Our promoter explored further in this segment and found that our styling and workmanship matches the requirement of premium products and hence we started approaching brands who work on the similar line of products.

In 2019, by collaborating with the one of the India's leading brands, our promoter got his first step towards his mission and vision. We used to regularly supply to "Arvind Lifestyle Brand Limited. Because of his hard work and knowledge of the industry, we established our self in the market for the said brand in very short span. The collaboration with the leading brand was the key turning point for our promoter and his business journey started blooming within short period of time. Because of the success in one segment, to expand the business horizontally, our promoter has decide to launch first our own brand "ANUTARRA" in the women's ethnic wear segment.

As a part of further development, we have listed our products on most of the available E-commerce platforms in the F.Y. 2019-20. Due to our manufacturing unit, we could control the cost of the product and as result, we are able to provide the best quality product at a very affordable price in the market. This has created more demand for our products/brands in the market. In 2020 we collaborated with Reliance Retail & scaled up our business to a new height. When the most of the business in the whole world was severally affected due to Covid-19, our doors were opened for new businesses and we grew in terms of business volume.

In the year 2021, we became one regular manufactures of Reliance Retail. We have executed an Agreement and Non-Disclosure Agreement (NDA) with Reliance Retails Limited, Mumbai, on May 30, 2023 for a term of three years. In 2021, we have launched our women western wear brand by the name of "KIZI". After market study, we understood the business dynamics by now and hence, we decided to launch our western wear segment as well, as it had a very consistent market. This gave us a wider publicity in the market and created our brand image in the market. In the year 2022, we have entered into distribution and wholesale network with our brands and consequently our sales increased to three times. This has helped us to captured the sizable share in the market for our Brands. We also provide facilities of job working for the renowned brands of India.

For effective cost control, we have tie ups with some of the major suppliers of raw materials required for our products. For fabric we have tie up with some of the certified mills from the state of origin of the fabric i.e. from Gujarat, Maharashtra and Tamil Nadu. Likewise, we procure our trims and accessories directly from the manufacturers, resulting our goods to be more cost effective. We usually tend to buy our raw materials when it is at the lower side as the greige fabric pricing keeps fluctuating due to the variance in yarn prices. As per our growth strategy, we also connected with the leading wedding collection brand of India.

We have also executed Products Supply agreement with M/s. Absolute Brands and Retails Private Limited (ABRPS), Bangalore, vide Agreement dated June 05, 2023 for the supply of our products to the ABRPS on outright

basis and ABRPS in turn sell the said products through its retail chain of store and through their E- Commerce Channel in India to the end customer. We have executed agreement for the supply of women wears which includes western wears and ethnic wears.

Similarly, we have entered in to an Agreement with M/s. Fab India Limited (FIL), New Delhi, vide Vendor Agreement (to Manufacture and Supply) dated June 21, 2023 for manufacturing of Branded products for FIL on Job Work basis under the brand name of “Fab India”.

To promote our own Brands: 1. “Anutarra” - an ethnic wear collection for the women and 2. “Kizi” – a western wear collections for the women, we have our own clientele based in Jaipur only, who purchase in bulk from our Company and sale our products in the local markets through their shops. We do our own sale through our own website also, where we have provided all the options available in the apparel along with the online payment facilities.

In recent, our Company has taken over the ongoing proprietorship concern namely M/s. Aika Creations. For more details regarding past three years financials of Proprietorship i.e. M/s. Aika Creations, please refer “Financial Performance of the Proprietorship Firm” mentioned under chapter titled “Business Overview” beginning on Page 69 of this Draft Prospectus.

The following changes will be made in Prospectus

The % of top 10, 5, 3, 2, 1 Buyers/Customer and Suppliers of Our Company are as under:

Details of our top Buyers/ customers is as follows: (% of Revenue)

| Customers | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|-----------|----------------|----------------|----------------|
| Top 1 | 20.91% | 19.92% | 30.98% |
| Top 2 | 36.13% | 35.05% | 42.79% |
| Top 3 | 50.98% | 48.31% | 53.91% |
| Top 5 | 77.45% | 71.13% | 69.96% |
| Top 10 | 96.38% | 95.13% | 81.86% |

Details of our top suppliers is as follows: (% of Revenue)

| Suppliers | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|-----------|----------------|----------------|----------------|
| Top 1 | 16.47% | 14.28% | 26.49 % |
| Top 2 | 32.57% | 28.32% | 37.10% |
| Top 3 | 48.41% | 41.23% | 43.60% |
| Top 5 | 78.08% | 65.44% | 51.47% |
| Top 10 | 96.84% | 91.28% | 61.39% |

OUR MANAGEMENT

The following changes will be made in Prospectus

BOARD OF DIRECTORS

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

| Name, Father's Name, Address, Date of Birth, Age, Designation, Status, DIN, Occupation and Nationality | Other Directorships |
|---|---------------------|
| Name: Ajay Mishra Father's Name: Santlal Mishra Address: Santlal Mishra, Mishra Bhawan Ward 20, Hanumangarh, Bhadra, Rajasthan- 335501 Date of Birth: July 01, 1986 Age: 38 Years Designation: Additional Director Status: Non-Executive Director DIN: 07495905 Occupation: Employment Nationality: Indian Term: Upto the date of next AGM w.e.f. May 01, 2024 Original Date of Appointment: May 01, 2024 as Additional Director | - |

Family Relationship between the Directors

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

Abhishek Nathani, Promoter & Managing Director of our Company is husband of Kiran Nathani, Promoter and Director of the Company.

Brief Profiles of Our Directors

Ajay Mishra, aged 30 years, is an Additional Non-Executive Director of our Company. He has completed Bachelor of Science in Information Technology from the Sikkim Manipal University in the year of 2006. He has More than 7 Seven years of working experience in different organization in different role as a Business development office, Field Service Engineer, Team Leader, Sales, Strategic Planning, Key Accounts & Relationship Manager, etc. His experience in the field of sales and marketing will help our Company to build more relationship with the high brands, which will leads our Company into the growth path.

Shareholding of Directors in our Company

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

| Sr. No. | Name of the Directors | No. of Equity Shares | Percentage of Pre-Issue Capital (%) |
|--------------|-----------------------|----------------------|-------------------------------------|
| 1. | Abhishek Nathani | 51,51,300 | 99.81 |
| 2. | Kiran Nathani | 4,000 | 0.08 |
| Total | | 51,55,300 | 99.89 |

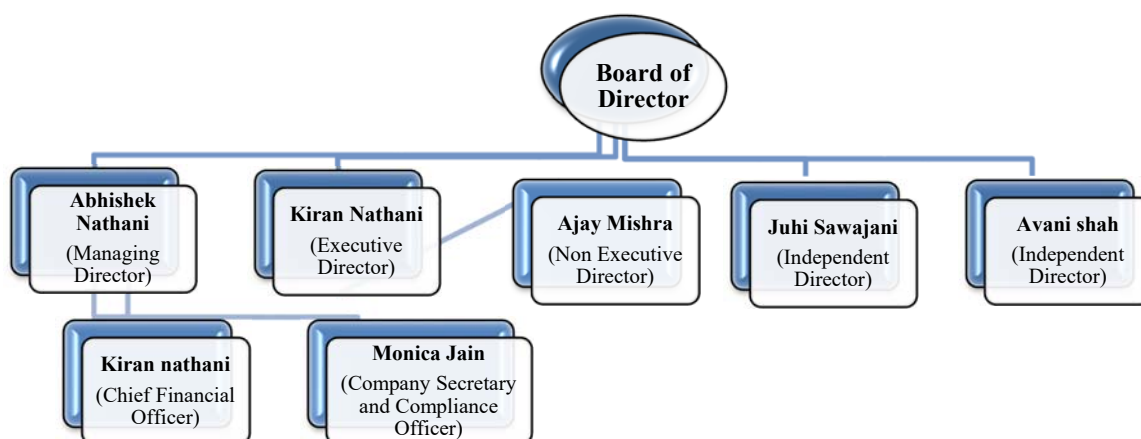
Changes in our Company's Board of Directors during the last three (3) years

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

| Name of Directors | Date of Appointment / Regularization | Nature of Change | Date of Change in Designation / Cessation | Reasons for changes in the Board |
|-------------------|--------------------------------------|------------------|---|---|
| Rahul Sharma | June 24, 2023 | Cessation | May 01, 2024 | Due to unavoidable personal Reasons. |
| Ajay Mishra | May 01, 2024 | Appointment | - | Appointed as an Additional Director of the Company. |

Management Organization Structure

The following chart depicts our Management Organization Structure



Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and in view of the compliance of the Corporate Governance Provisions and proposed applicable provisions of the SEBI (LODR) Regulation, 2015 vide board resolution dated May 01, 2024. The Reconstituted Stakeholders Relationship Committee comprises the following members:

| Name | Designation | Status in Committee |
|-------------------|------------------------|---------------------|
| Ms. Juhi Sawajani | Independent Director | Chairman |
| Ms. Avani Shah | Independent Director | Member |
| Mr. Ajay Mishra | Non-Executive Director | Member |

Nomination and Remuneration Committee



Our Company has formed the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and in view of the compliance of the Corporate Governance Provisions and proposed applicable provisions of the SEBI (LODR) Regulation, 2015 vide board resolution dated May 01, 2024. The Nomination and Remuneration Committee comprises (Reconstituted) the following members:

| Name | Designation | Status in Committee |
|-------------------|------------------------|---------------------|
| Ms. Juhi Sawajani | Independent Director | Chairman |
| Ms. Avani Shah | Independent Director | Member |
| Mr. Ajay Mishra | Non-Executive Director | Member |

OUR PROMOTERS AND PROMOTER GROUP

The following changes will be made in Prospectus

The Promoters of our Company is:

| | |
|--|---|
|  | <p>Abhishek Nathani aged 44 years, is the Managing Director of our company. Date of Birth: October 01, 1979 Personal Address: 502, Shivgyan Heights, DCM Ajmer Road, Jaipur, Rajasthan-302019, India. Permanent Account Number: ABJPN2410M For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements please refer chapter titled “Our Management” beginning on page 95 of this Draft Prospectus.</p> |
|  | <p>Kiran Nathani aged 35 years, is the Director of our company. Date of Birth: July 10, 1988 Personal Address: 502, Shivgyan Heights, DCM Ajmer Road, Jaipur, Rajasthan-302019, India. Permanent Account Number: BTZPS1682R For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements please refer chapter titled “Our Management” beginning on page 95 of this Draft Prospectus.</p> |

For details of the build-up of our Promoters’ shareholding in our Company, please see “*Capital Structure – Shareholding of our Promoter*” beginning on page no 43 of this Draft Prospectus.

Our Promoter Group

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

A. Individual persons who are part of our Promoter Group

Promoters: Abhishek Nathani & Kiran Nathani

| Relationship with Promoter | | |
|----------------------------|--|--|
| Promoter | Abhishek Nathani | Kiran Nathani |
| Father | Raj Kumar Nathani | Late Prem Nath Sharma |
| Mother | Suchitra Nathani | Geeta Sharma |
| Spouse | Kiran Nathani | Abhishek Nathani |
| Brother | - | Rahul Sharma |
| Sister | Sunita Saraf, Anita Agarwal, Ajita Khaitan | - |
| Son | - | - |
| Daughter | Miss Anisha Nathani | Miss Anisha Nathani |
| Spouse's Father | Late Prem Nath Sharma | Raj Kumar Nathani |
| Spouse's Mother | Geeta Sharma | Suchitra Nathani |
| Spouse's Brother | Rahul Sharma | - |
| Spouse's Sister | - | Sunita Saraf, Anita Agarwal, Ajita Khaitan |

Section VI – Financial Information

Restated Financial Statement

Independent Auditor’s Examination Report on Restated Financial Statements

The following changes will be made in Prospectus

To,

**The Board of Directors,
Kizi Apparels Limited**

H- 629 Phase - II RIICO Industrial Area,
Jaipur, Rajasthan - 302022

Dear Sir/Ma’am,

1. We have examined the attached Restated Financial statements and other financial information of **Kizi Apparels Limited**, (formerly known as **Kizi Apparels Private Limited**) (the “Company”) for the year ended on March 31, 2024, March 2023, March 2022 annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Prospectus / Prospectus (being collectively referred as “Offer Document”) in connection with its proposed Initial Public Offer (“IPO”) on the SME Platform of the BSE Limited (“BSE”).
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of :
 - i) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“Guidance Note”).
 - iv) The applicable regulation of SEBI (ICDR) Regulations, 2018, as amended, and as per Schedule VI (Part A) (11) (II) of the said Regulations.
 - v) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and,

The Company’s Board of Directors is responsible for the preparation of the Restated Financial Statement & other Financial information for the purpose of inclusion in the Draft Prospectus / Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies of Jaipur in connection with the proposed IPO. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

We have examined the accompanied the ‘Restated Statement of Assets and Liabilities’ (Annexure- 1), ‘Restated Statement of Profit and Loss’ (Annexure – 2), ‘Restated Statement of Cash Flows’ (Annexure 3) for the financial years ended on March 31, 2023, and period ended on June 30, 2023 as on above dates, forming Part of the ‘Financial Information’ dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies (Annexure – 4) thereon, which are the responsibility of the Company’s management. The information has been extracted from the Financial Statements of the company for the financial year ended on March 31, 2024, March 31, 2023, and March 31, 2022. The Financial Statements of the company/ Proprietor firm financial year ended on March 31, 2022 audited by Goyal Mangal & Co, March 31, 2023 financials are audited by M/s. D G M S & Co., Chartered Accountants, being the Statutory Auditor of the Company (Peer

Review), which were approved by the Board of Directors as on that date and upon which we have placed our reliance while reporting.

3. In terms of Schedule VI (Part A)(11)(II)(A)(i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of **Kizi Apparels Limited**, we, M/s. D G M S & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
4. These Restated Financial Information have been compiled by the management from:
 - a. Audited financial statements of company as at and for the year ended 31st March 2024 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.
 - b. Audited Financial Statement for financial year ended March 31, 2024, March 31, 2023 & March 31, 2022 prepared in accordance with the Accounting Principles generally accepted in India by making adjustments for Indian GAAP as applicable to non-corporates to the audited financial statements for financial year ended March 31, 2024, March 31, 2023 & March 31, 2022 which was prepared as per Indian GAAP as applicable to non-corporates and which have been approved by the board of directors.
5. Based on our examination, we report that:
 - a. The “Restated Financial Statement of Assets and Liabilities” as set out in **Annexure 1**, Restated Financial Statement of Profit and Loss” as set out in **Annexure 2**, “Restated Financial Statement of Cash Flows” as set out in **Annexure 3**, to this report, of the Company as at March 31, 2023 and as at 31 March 2024 is prepared by the Company and approved by the Board of Directors. These Restated Financial Statements have been arrived at after making such adjustments and regroupings to the Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies as set out in **Annexure 4** & Notes to Accounts to this Report.
 - b. The Restated Financial Statements have been made after incorporating adjustments for:
 - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amount in the respective financial years to which they relate.
 - iii. do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Statement and do not contain any qualification requiring adjustments;
 - iv. Restated Summary Statement of Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts to this report;
 - v. Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies;
 - vi. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
 - c. The audit reports on the Financial Statements/tax audit of the Company/firm as at and for years ended March 31, 2024, March 31, 2023 and March 31, 2022 as referred in paragraph 3 above, expresses an unmodified opinion for the years ended March 31, 2024.
 - i. No Other adverse remarks/comments in the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (11) of section 143 of the act, on financial statements of the company for the financial years ended March 31, 2024.

6. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

Annexure of Restated Financial Statements of the Company: -

- i. Statement of Equity Share Capital, as restated (Annexure – 5)
 - ii. Statement of Proprietor’s Capital Account, as restated (Annexure - 6)
 - iii. Statement of Reserves & Surplus, as restated (Annexure - 7)
 - iv. Statement of Long-Term Borrowings, as restated (Annexure - 8)
 - v. Statement of Short-Term Borrowings, as restated (Annexure - 9)
 - vi. Statement of Nature and terms of repayment for borrowings, as restated (Annexure – 9.1)
 - vii. Statement of Trade Payables, as restated (Annexure - 10)
 - viii. Statement of Other Current Liabilities, as restated (Annexure - 11)
 - ix. Statement of Short-Term Provisions, as restated (Annexure -12)
 - x. Statement of Property, Plant and Equipment, as restated (Annexure -13)
 - xi. Statement of Non-Current Investment, as restated (Annexure – 14)
 - xii. Statement of Long-Term Advances, as restated (Annexure – 15)
 - xiii. Statement of Inventories, as restated (Annexure – 16)
 - xiv. Statement of Trade Receivables, as restated (Annexure - 17)
 - xv. Statement of Cash and Cash Equivalents, as restated (Annexure - 18)
 - xvi. Statement of Short Terms Loans and Advances, as restated (Annexure - 19)
 - xvii. Statement of Other Current Assets, as restated (Annexure - 20)
 - xviii. Statement of Contingent Liabilities, as restated (Annexure - 21)
 - xix. Statement of Revenue from Operations, as restated (Annexure – 22)
 - xx. Statement of Particular of Sale of Products/Services, as restated (Annexure – 22.1)
 - xxi. Statement of Particular Other Income, as restated (Annexure – 23)
 - xxii. Statement of Particular Cost of Material Consumed, as restated (Annexure – 24)
 - xxiii. Statement of Changes in inventories of Stock-in-Trade, as restated (Annexure - 25)
 - xxiv. Statement of Employee benefits expense, as restated (Annexure - 26)
 - xxv. Statement of Finance Cost, as restated (Annexure - 27)
 - xxvi. Statement of Depreciation and amortization expense, as restated (Annexure - 28)
 - xxvii. Statement of Other Expenses, as restated (Annexure - 29)
 - xxviii. Statement of Payment to Auditor, as restated (Annexure – 29.1)
 - xxix. Statement of Deferred Tax Assets/Liability, as restated (Annexure - 30)
 - xxx. Statement of Reconciliation of Restated profit (Annexure – 31)
 - xxxi. Statement of Related Party Transactions, as restated (Annexure - 32)
 - xxxii. Statement of Summary Accounting Ratios, as restated (Annexure - 33)
 - xxxiii. Statement of Tax Shelter, as restated (Annexure -34)
 - xxxiv. Statement of Capitalization, as restated (Annexure - 35)
 - xxxv. Statement of Ratio Analysis, as restated (Annexure - 36)
7. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure 1 to 33 read with the significant accounting policies and notes to the restated Financial Statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI).
Consequently, the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited Financial Statements for the relevant years.
8. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the Financial Statements referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For M/s. D G M S & Co.,
Chartered Accountants
FRN: 0112187W**

**Sd/-
CA Hiren J. Maru
Partner
Membership No: 115279
Place: Mumbai
Date: April 24, 2024
UDIN: 24115279BKBWER5145**

Annexure 1: Restated Statement of Assets & Liabilities

(Rs.In Lakhs)

| Particulars | Annexure No. | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------|-----------------------|-----------------------|-----------------------|
| I.EQUITY AND LIABILITIES | | | | |
| 1 Shareholders' funds | | | | |
| (c) Share capital/Proprietor's Capital | 5&6 | 516.12 | 394.86 | 336.95 |
| (d) Reserves and surplus | 7 | 71.37 | - | - |
| 2 Non-current liabilities | | | | |
| (d) Long-term borrowings | 8 | 206.22 | 76.00 | 78.15 |
| (e) Deferred tax liabilities (Net) | 30 | 3.43 | 0.35 | - |
| (f) Long-term Provisions | | - | - | - |
| 3 Current liabilities | | | | |
| (e) Short-term borrowings | 9 | 308.39 | 234.96 | 164.58 |
| (f) Trade payables | 10 | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 1.38 | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 198.32 | 394.09 | 130.27 |
| (g) Other current liabilities | 11 | 15.17 | 6.83 | 6.76 |
| (h) Short-term provisions | 12 | 19.89 | 28.01 | 8.43 |
| TOTAL | | 1,340.30 | 1,135.10 | 725.14 |
| II. ASSETS | | | | |
| 1 Non-current assets | | | | |
| (b) Property Plant and Equipments | | | | |
| (iv) Tangible assets | 13 | 33.93 | 41.55 | 42.33 |
| (v) Intangible Assets | 13 | 100.56 | 0.21 | 0.30 |
| (vi) Capital Work in Progress | | - | - | - |
| Total | | 134.49 | 41.76 | 42.63 |
| (b) Non Current Investments | 14 | - | - | 171.44 |
| (c) Long-term loans and advances | 15 | 4.42 | 3.22 | 10.75 |
| (d) Other Non Current Assets | | - | - | - |
| (e) Deferred Tax Assets | 30 | - | - | 0.46 |
| 2 Current assets | | | | |
| (f) Inventories | 16 | 666.48 | 480.15 | 268.29 |
| (g) Trade receivables | 17 | 462.00 | 534.47 | 78.58 |
| (h) Cash and cash equivalents | 18 | 20.13 | 57.11 | 80.53 |
| (i) Short-term loans and advances | 19 | 52.78 | 18.39 | 69.05 |
| (j) Other Current Assets | 20 | - | - | 3.40 |
| TOTAL | | 1,340.30 | 1,135.10 | 725.14 |

Accounting Policies & Notes on Accounts

4

As per our Report on Even date attached

For D G M S & Co.
For, Kizi Apparels Limited

Chartered Accountants

Sd/-

Sd/-

Sd/-

Hiren J. Maru

Abhishek Nathani

Kiran Nathani

Partner

Managing Director

Director & CFO

M. No. 115279

DIN : 10086861

DIN : 10086860

FRN No. 0112187W

Place: Mumbai

Date: April24, 2024

Monica Jain

UDIN: 24115279BKBWER5145

Company Secretary

Annexure 2: Restated Statement of Profit & Loss

(Rs.In Lakhs)

| Particulars | | Annexure No. | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-------------|---|--------------|--------------------------------------|------------------------------------|------------------------------------|
| I. | Revenue from operations | 22 | 2,026.51 | 1,548.05 | 498.92 |
| II. | Other income | 23 | 0.86 | 1.45 | 40.25 |
| III. | Total Income (I + II) | | 2,027.37 | 1,549.50 | 539.17 |
| IV. | Expenses: | | | | |
| | Cost of Material Consumed | 24 | 1,791.87 | 1,305.08 | 387.74 |
| | Changes in inventories of Finished Goods and Work in Progress | 25 | (145.46) | (302.37) | (68.13) |
| | Employee benefits expense | 26 | 66.82 | 162.96 | 53.24 |
| | Finance costs | 27 | 62.36 | 41.62 | 23.73 |
| | Depreciation and amortization expense | 28 | 17.83 | 7.03 | 7.94 |
| | Other expenses | 29 | 138.77 | 259.60 | 108.55 |
| | Total expenses | | 1,932.19 | 1,473.92 | 513.07 |
| V. | Profit before tax (III-IV) | | 95.18 | 75.58 | 26.10 |
| VI | Tax expense: | | | | |
| | (1) Current tax | | 19.89 | 19.80 | 5.67 |
| | (2) Deferred tax | | 3.08 | 0.81 | (0.21) |
| | (3) MAT Credit Entitlement | | - | - | - |
| VII | Profit (Loss) for the period (V-VI) | | 72.21 | 54.97 | 20.64 |
| VIII | Earnings per equity share: | | | | |
| | (1) Basic (Adjusted) | | 1.40 | 1.07 | 0.40 |
| | (2) Diluted (Adjusted) | | 1.40 | 1.07 | 0.40 |

Accounting Policies & Notes on Accounts

As per our Report on Even date attached

For D G M S & Co.

Chartered Accountants

Sd/-

Hiren J. Maru

Partner

M. No. 115279

FRN No. 0112187W

Place: Mumbai

Date: April 24, 2024

UDIN: 24115279BKBWER5145

4

For, Kizi Apparels Limited

Sd/-

Abhishek Nathani

Managing Director

DIN : 10086861

Monica Jain

Company Secretary

Sd/-

Kiran Nathani

Director & CFO

DIN : 10086860

Annexure 3: Restated Statement Of Cashflow

(Rs.In Lakhs)

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---|---|---------------------------------------|---------------------------------------|
| Cash flow from Operating Activities | | | |
| Net Profit Before tax as per Statement of Profit & Loss | 95.18 | 75.58 | 26.10 |
| Adjustments for : | | | |
| Depreciation & Amortisation Exp. | 17.83 | 7.03 | 7.94 |
| Interest Income | - | (0.45) | (0.65) |
| Profit on Sale of Investments | - | - | (26.14) |
| Dividend Income | - | - | (0.55) |
| Finance Cost | (62.36) | 41.62 | 23.73 |
| 4.33 | | 48.20 | |
| Operating Profit before working capital changes | 50.65 | 123.78 | 30.43 |
| Changes in Working Capital | | | |
| Dec/(Inc) Trade receivable | 72.47 | (455.89) | 3.85 |
| Dec/(Inc) Other Loans and advances receivable | (34.39) | 50.66 | (4.20) |
| Dec/(Inc) Inventories | (186.33) | (211.86) | (115.24) |
| Dec/(Inc) Other Current Assets | - | 3.40 | - |
| Inc/(Dec) Trade Payables | (195.77) | 263.82 | 56.82 |
| Inc/(Dec) Other Current Liabilities | 8.34 | 0.07 | 0.57 |
| Inc/(Dec) Short term Provisions | (8.12) | 19.59 | 4.56 |
| | | (343.80) | (53.64) |
| | | (330.21) | |
| Net Cash Flow from Operation | (293.15) | (206.43) | (23.21) |
| Less : Income Tax paid | 19.89 | 19.80 | 5.67 |
| Net Cash Flow from Operating Activities (A) | (313.04) | (226.23) | (28.88) |
| Cash flow from investing Activities | | | |
| Purchase of Fixed Assets/Goodwill from takeover | (111.73) | (6.16) | (1.79) |
| Profit on Sale of Investment | - | - | 26.14 |
| Dividend Income | - | - | 0.55 |
| Interest Income | - | 0.45 | 0.65 |
| Changes in Non-Current Investments | - | 171.44 | - |
| Movement in Loans & Advances | (1.20) | 7.53 | - |
| | | (112.93) | 3.18 |
| | | 173.71 | |
| Net Cash Flow from Investing Activities (B) | (112.93) | 173.71 | 3.18 |
| Cash Flow From Financing Activities | | | |
| Proceeds From long Term Borrowing (Net) | 137.29 | (2.15) | 33.64 |
| Short Term Borrowing (Net) | 66.36 | 69.93 | 17.37 |
| Interest Paid | 62.36 | (41.62) | (23.73) |
| Changes in Proprietor Capital | | 2.94 | 17.88 |
| Issue of Shares | 122.98 | - | - |
| 45.16 | 388.99 | 29.10 | 45.16 |
| Net Cash Flow from Financing Activities (C) | 388.99 | 29.10 | 45.16 |
| Net (Decrease)/ Increase in Cash & Cash Equivalents(A+B+C) | (36.98) | (23.42) | 19.46 |
| Opening Cash & Cash Equivalents | 57.11 | 80.54 | 61.07 |

| | | | | | | |
|---|--|--------------|--|--------------|--|--------------|
| Cash and cash equivalents at the end of the period | | 20.13 | | 57.12 | | 80.53 |
| Cash And Cash Equivalents Comprise: | | | | | | |
| Cash | | 16.66 | | 11.40 | | 60.76 |
| Bank Balance : | | | | | | |
| Current Account | | 3.47 | | 45.71 | | 17.27 |
| Card Balance | | - | | - | | 2.50 |
| Total | | 20.13 | | 57.11 | | 80.54 |

Accounting Policies & Notes on Accounts

4

As per our Report on Even date attached

For D G M S & Co.

For, Kizi Apparels Limited

Chartered Accountants

Sd/-

Sd/-

Sd/-

Hiren J. Maru

Abhishek Nathani

Kiran Nathani

Partner

Managing Director

Director & CFO

M. No. 115279

DIN : 10086861

DIN : 10086860

FRN No. 0112187W

Place: Mumbai

Date: April24, 2024

Monica Jain

UDIN: 24115279BKBWER5145

Company Secretary

Annexure: - 4 Significant accounting policies:

1.0 Corporate Information

Kizi Apparels Limited is a Limited Company, incorporated under the provisions of Companies Act, 2013 and having CIN: U14109RJ2023PLC086522. The Company is mainly engaged in the business of Manufacturing and trading business of women garments. The Registered office of the Company is situated H – 629 Phase _ II, RIICO Industries Area, Jaipur, Rajasthan - 302022.

1.1 Basis of preparation of financial statements

a. Accounting Convention: -

These financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (“Indian GAAP”). Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with the Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the Historical Cost Convention. and the Companies (Accounting Standards) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013.

The restated financial information has been prepared for inclusion in the Draft Prospectus and Prospectus (“DP” or “P” offer document”) to be filed by the Company with the Securities and Exchange Board of India (“SEBI”), Stock Exchange (SE) and other regulatory bodies in connection with proposed Initial Public Offering of its equity shares of face value of Rs 10 each of the Company comprising a fresh issue of equity shares (the “Issue”), in accordance with the requirements of:

- Section 26 of part I of Chapter III of the Act
- relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”).

The Restated financial information have been compiled from:

- The audited financial statement of the Company as at March 31, 2024 which have been approved by the Board of Directors at their meeting held on 10th April, 2024.
- The audited financial statement of the Company as at March 31, 2023 which have been approved by the Board of Directors at their meeting held on 24nd August, 2023.
- The audited financial statement of the Company as at March 31, 2022 which have been approved by the Board of Directors at their meeting held on 23rd September, 2022.
- The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

b. Functional and Presentation Currency

The functional and presentation currency of the company is Indian rupees. This financial statement is presented in Indian rupees.

All amounts disclosed in the financial statements and notes are rounded off to lakhs the nearest INR rupee in compliance with Schedule III of the Act, unless otherwise stated.

Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

c. Use of Estimates and Judgments

The preparation of financial statement in conformity with accounting standard requires the Management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affects the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statement and reported amounts of revenue and expenses during the period. Accounting estimates could change form period to period. Actual result could differ from those estimates. As soon as the Management is aware of the changes, appropriate changes in estimates are made. The effect of such changes

are reflected in the period in which such changes are made and, if material, their effect are disclosed in the notes to financial statement.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods affected.

d. Current and Non - Current Classification

An asset or a liability is classified as Current when it satisfies any of the following criteria:

- i. It is expected to be realized / settled, or is intended for sales or consumptions, in the Company's Normal Operating Cycle;
- ii. It is held primarily for the purpose of being traded.
- iii. It is expected to be realized / due to be settled within twelve months after the end of reporting date;
- iv. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as Non - Current.

For the purpose of Current / Non - Current classification of assets and liabilities, the Company has ascertained its operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of the assets or liabilities for processing and their realization in Cash and Cash Equivalents.

1.2 Basis of Preparation

a) Property, Plant & Equipment and Intangible Assets:-

- i. The company has adopted Cost Model to measure the gross carrying amount of Property Plant & Equipment.
- ii. Tangible Property Plant & Equipment are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.
- iii. Intangible assets are stated at the consideration paid for acquisition and customization thereof less accumulated amortization.
- iv. Cost of fixed assets not ready for use before the balance sheet date is disclosed as Capital Work in Progress.
- v. Cost of Intangible Assets not ready for use before the balance sheet date is disclosed as Intangible Assets under Development.

b) Depreciation / Amortization: -

Depreciation has been provided under Written down Method at the rates prescribed under schedule III of the Companies Act, 2013 on single shift and Pro Rata Basis to result in a more appropriate preparation or presentation of the financial statements.

In respect of assets added/sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule II.

Intangible assets being Software and Website are amortized over a period of its useful life on a straight-line basis, commencing from date the assets is available to the company for its use.

c) Impairment of Assets: -

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

d) Investments: -

- Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.
- On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. There are no investment made by Company.
- Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognize a decline, other than temporary, on an individual investment basis.
- Current investments are carried in the financial statements at lower of cost and market value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- Long term investments which are expected to be realized within twelve months from the balance sheet date are presented under 'current investments' as 'current portion of long term investments' in accordance with the current / noncurrent classification of investments as per Schedule III Division I of the Companies Act, 2013.
- The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
- Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the 'weighted average cost' method is followed.

e) Government Grants and Subsidies: -

The Company is entitled to receive any subsidy from the Government authorities or any other authorities in respect of manufacturing or other facilities are dealt as follows:

- Grants in the nature of subsidies which are non – refundable are credited to the respective accounts to which the grants relate, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.
- Grants in the nature of Subsidy which are Refundable are shown as Liabilities in the Balance Sheet at the Reporting date.

f) Retirement Benefits: -

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

a) Employment Benefits:

I) Provident Fund/ESIC:

The company has Defined Contribution Plans for post-employment benefit in the form of Provident Fund which are administered by the Regional Provident Fund Commissioner. Provident Fund are classified as defined contribution plans as the company has no further obligation beyond making contributions. The company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

II) Gratuity:

The Management has decided that gratuity will be accounted in profit & loss A/c in each financial year when the claim is recognized by the company which is against the prescribed treatment of AS -15. The Quantum of provision required to be made for the said retirements benefits can be decided on actuarial basis and the said information could not be gathered. To the extent of such amount, the reserve would be lesser.

g) Prior Period Items: -

All identifiable items or income and expenditure pertaining to prior period are accounted through 'Prior Period Income/ Expenses Account'.

Revenue Recognition: -

Revenue is recognized when it is probable that economic benefit associated with the transaction flows to the Company in ordinary course of its activities and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into the account contractually defined terms of payments, net of its returns, trade discounts and volume rebates allowed.

Revenue includes only the gross inflows of economic benefits, including the excise duty, received and receivable by the Company, on its own account. Amount collected on behalf of third parties such as sales tax, value added tax and goods and service tax (GST) are excluded from the Revenue.

Sale of goods is recognized at the point of dispatch of goods to customers, sales are exclusive of Sales tax, Vat, GST and Freight Charges if any. The revenue and expenditure are accounted on a going concern basis.

Interest Income is Recognized on a time proportion basis taking into account the amount outstanding and the rate applicable i.e. on the basis of matching concept.

Dividend from investments in shares / units is recognized when the company.

As per a recent ICAI opinion, the benefit of DEPB is recognized in the year of export itself, provided no uncertainty exists,

Other items of Income are accounted as and when the right to receive arises.

h) Inventories: -

Inventories of the raw material, work-in-progress, finished goods, packing material, stores and spares, components, consumables and stock in trade are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis.

Cost of inventories included the cost incurred in bringing the each product to its present location and conditions are accounted as follows:

a) Raw Material: - Cost included the purchase price and other direct or indirect costs incurred to bring the inventories into their present location and conditions. Cost is determined on *First in First out basis (FIFO)*.

b) Finished Goods and Work-in-Progress: - Work in progress are valued at cost which includes raw materials and cost incurred till the stage of production of process. Finished Goods are valued at cost or Net realizable value whichever is lower. Cost included cost of direct materials and the labor cost and a proportion of manufacturing overhead based on the normal operating capacity, but excluding the borrowing costs. Cost is determined on "*First in First out basis (FIFO)*".

c) Stock in Trade: - Cost included the purchase price and other direct or indirect costs incurred in bringing the inventories to their present location and conditions. Cost is determined on "*First in First out basis (FIFO)*".

All other inventories of stores and spares, consumables, project material at site are valued at cost. The stock of waste or scrap is valued at net realizable value.

"Net Realizable Value" is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

i) Accounting for effects of changes in foreign exchange rates: -

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transactions.

Any income or expenses on account of exchange difference either on settlement or on Balance sheet Valuation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

Foreign currency transactions accounts are given in the notes of accounts, if any.

j) Borrowing Cost: -

Borrowing Cost includes the interest, commitments charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying property, plants and equipment's are capitalized as a part of cost of that property, plants and equipment's. The amount of borrowing costs eligible for capitalization is determined in accordance with the Accounting Standards – 16 "Borrowing Costs". Other Borrowing Costs are recognized as expenses in the period in which they are incurred.

In accordance with the Accounting Standard – 16, exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustments to interest costs are recognized as Borrowing Costs and are capitalized as a part of cost of such property, plants and equipment's if they are directly attributable to their acquisition or charged to the Standalone Statement or Profit and Loss.

k) Related Party Disclosure: -

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given in notes of accounts.

l) Accounting for Leases: -

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risk and rewards incidental to the ownership to the Company is classified as a finance lease.

The Company as a lessee:

a) Operating Lease: - Rental payable under the operating lease are charged to the Standalone Statement of Profit and Loss on a Straight-line basis over the term of the relevant lease.

b) Finance Lease: - Finance lease are capitalized at the commencement of the lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the income over the period of the lease.

The Company has not provided any of its assets on the basis of operating lease or finance lease to others.

m) Cash flow: -

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the company are segregated.

n) Earnings Per Share: -

The Company reports the basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20, "Earnings per Share". Basic EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted

average number of Equity Shares outstanding during the year as adjusted for the effects of all potential Equity Shares, except where the results are Anti - Dilutive.

The weighted average number of Equity Shares outstanding during the period is adjusted for events such a Bonus Issue, Bonus elements in right issue, share splits, and reverse share split (consolidation of shares) that have changed the number of Equity Shares outstanding, without a corresponding change in resources.

o) Taxes on Income: -

• **Current Tax: -**

Provision for current tax is made after taken into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

• **Deferred Taxes: -**

Deferred Income Tax is provided using the liability method on all temporary difference at the balance sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes.

- I. Deferred Tax Assets are recognized for all deductible temporary difference available in the future against which this item can be utilized.
- II. Deferred Tax Assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates (and the tax) that have been enacted or enacted subsequent to the balance sheet date.

p) Discontinuing Operations: -

During the year the company has not discontinued any of its operations.

q) Provisions Contingent liabilities and contingent assets: -

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as Contingent Liability.

A disclosure for a Contingent Liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation is reported as Contingent Liability. In the rare cases, when a liability cannot be measures reliable, it is classified as Contingent Liability. The Company does not recognize a Contingent Liability but disclosed its existence in the standalone financial statements.

r) Event after Reporting Date: -

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

All the events occurring after the Balance Sheet date up to the date of the approval of the restated financial statement of the Company by the board of directors, have been considered, disclosed and adjusted, wherever applicable, as per the requirement of Accounting Standards.

Annexure 5: Equity Share Capital

| <u>Share Capital</u> | As at 31st March 2024 | | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------|------------------|-----------------------|-----------------------|
| | Number | Amt. Rs.In Lakhs | Amt. Rs.In Lakhs | Amt. Rs.In Lakhs |
| Authorised | | | | |
| Equity Shares of Rs.10 each | 80,00,000.00 | 800.00 | - | - |
| Issued | | | | |
| Equity Shares of Rs.10 each | 51,61,200.00 | 516.12 | | - |
| Subscribed & Paid up | | | | |
| Equity Shares of Rs.10 each fully paid up | 51,61,200.00 | 516.12 | | - |
| Proprietor Capital | | | 394.86 | 336.95 |
| Total | 51,61,200.00 | 516.12 | 394.86 | 336.95 |

| RECONCILIATION OF NUMBER OF SHARES | | |
|---|---------------|------------------|
| Particulars | Equity Shares | |
| | Number | Amt. Rs.In Lakhs |
| Shares outstanding at the beginning of the year | 10,000.00 | 1.00 |
| Shares Issued during the year | 51,51,200.00 | 515.12 |
| Shares bought back during the year | - | - |
| Shares outstanding at the end of the year | 51,61,200.00 | 516.12 |

The Company has only one class of equity shares having a per value of Rs.10/- Per Share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares by the shareholders.

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the co.

| Name of Shareholder | As at 31st March 2024 | |
|---------------------|-----------------------|--------------|
| | No. of Shares held | % of Holding |
| Abhishek Nathani | 51,51,300.00 | 99.81% |
| Kiran Nathani | 4,000.00 | 0.08% |
| Rajkumar Nathani | 500.00 | 0.01% |
| Suchitra Nathani | 500.00 | 0.01% |
| Shah Mit Bhartkumar | 400.00 | 0.01% |
| Rahul Sharma | 500.00 | 0.01% |
| Ranjan Sharma | 4,000.00 | 0.08% |

Annexure 6: Proprietor's Capital Account

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------|-----------------------|-----------------------|
| A. Proprietor's Capital | | | |
| Opening balance | 394.86 | 336.95 | 298.43 |
| (+) Net Profit/ (Net Loss) For the current year | - | 54.97 | 20.64 |
| (+) Capital Addition during the year | - | 250.23 | 55.44 |

| | | | |
|---|---------------|---------------|---------------|
| (-) Capital Withdrawn during the year | - | 247.29 | 37.56 |
| (-) Balance Capital Converted into Shares | 394.86 | - | - |
| (-) Balance Transfer to Reserve and Surplus | - | - | - |
| Closing Balance | (0.00) | 394.86 | 336.95 |
| Total | (0.00) | 394.86 | 336.95 |

Annexure 7: Reserve And Surplus

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|--|-----------------------|-----------------------|-----------------------|
| A. Surplus | | | |
| Opening balance | - | - | - |
| (+) Net Profit/(Net Loss) For the current year | 72.21 | - | - |
| (-) Adjustment Due to Takeover | 0.84 | - | - |
| (-) Deduction | - | - | - |
| Closing Balance | 71.37 | - | - |
| Total | 71.37 | - | - |

Annexure 8: Long Term Borrowing

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------|-----------------------|-----------------------|
| Secured | | | |
| (a) Term loans | | | |
| From Banks | | | |
| Allahbad Term loan -50447039801 | | - | 16.71 |
| Allahbad Term B7loan A/C -58000832143 | - | - | 10.87 |
| Sub-Total (a) | - | - | 27.58 |
| Unsecured | | | |
| (a) Term loans | | | |
| From Bank & Financial Institutions | | | |
| Indian Bank Term Loan A/c 7108325224 | - | - | 23.13 |
| Aditya Birla Loan A/c 5547 | 3.20 | 5.20 | 10.23 |
| Ashv Finance Ltd | 15.14 | 22.56 | - |
| Bajaj Finance Limited | 21.71 | | |
| Choice Finens Services | 15.57 | 18.40 | - |
| Cholamandlam investment & finance company limited | 17.51 | - | 3.50 |
| Electronic Finance Ltd | 8.14 | | |
| Fed bank financial service Limited | 24.81 | | |
| Godrej finance Limited | 22.54 | | |
| Mahindra Finance Loan | 12.86 | 18.99 | - |
| Mas Financial Services Limited | 31.05 | 3.86 | - |
| Yes Bank Loan | 26.97 | | |
| Poonawalla Fincorp Limited | 6.72 | 6.99 | 13.71 |
| (b) From Others | | - | - |
| Sub-Total (b) | 206.22 | 76.00 | 50.57 |
| Total | 206.22 | 76.00 | 78.15 |

Annexure 9: Short Term Borrowings

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------|-----------------------|-----------------------|
| Unsecured | | | |
| (a) Loan Payable on Demand from banks | | | |
| Indian Bank - 50453787168 | | | 133.66 |
| Axis Bank | 252.55 | 182.30 | - |
| | 252.55 | 182.30 | 133.66 |
| Unsecured | | | |
| (a) From Bank and Financial Institutions | | | |
| Credit Card | - | - | 0.77 |
| Electronic Finance Ltd | - | 7.45 | - |
| (b) Current maturities of Long Term Debt (i.e. Term Liability classified as current) | | | |
| Allahbad Term loan -50447039801 | | | 6.84 |
| Allahbad Term B7loan A/C -58000832143 | | | 9.60 |
| Aditya Birla Loan | 2.24 | 5.03 | 4.45 |
| Ashv Finance Ltd | 7.43 | 7.44 | - |
| Choice Finens Servises | 3.77 | 3.76 | - |
| Cholamandlam investment & finance company limited | 1.20 | | |
| Hero Fincorp Loan | | 3.50 | 3.33 |
| Mahindra Finance Loan | 6.12 | 6.11 | - |
| Mas Financial Services Limited | 9.48 | 12.63 | - |
| Poonawalla Fincorp Limited | 0.59 | 6.73 | 5.93 |
| Bajaj finance Limited | 1.03 | | |
| Fed bank financial service Limited | 2.66 | | |
| Godrej finance Limited | 1.23 | | |
| Yes Bank | 3.90 | | |
| (b) From Promoters/ Promoters Group/ Group Companies/Directors & their Relatives | 16.20 | - | - |
| Total | 308.39 | 234.95 | 164.58 |

Details of Unsecured Borrowings

| Sr. No. | Lender | Nature of facility | Date of Sanction of Loan | Amount outstanding as at 31st March 2024 (In Lakhs) | Rate of interest (%) | Repayment terms | Security/Principal terms and conditions |
|---------|----------------------|---------------------------|--------------------------|---|----------------------|--|---|
| 1 | Aditya Birla Capital | Business Installment Loan | 31-01-2022 | 5.44 | 17.50% | Amount Payable on 05th every month Starting from 05-03-2022 at Installment of Rs.53,854/-. | Unsecured Loan from NBFC Company |
| 2 | Ashv Finance ltd | GST Surrogate (Business | 24-03-2023 | 22.57 | 19.00% | Amount Payable on 05th every month Starting | Unsecured Loan from NBFC Company |

| | | | | | | | |
|----|---|-------------------|------------|-------|--------|--|----------------------------------|
| | | Loan) | | | | from 05-05-2023 at Installment of Rs.1,09,969/-. | |
| 3 | Bajaj Finance Limited | Term Loan | 26-10-2023 | 22.74 | 18.75% | Amount Payable on 2nd every month Starting from 02-12-2023 at Installment of Rs.60049/-. | Unsecured Loan from NBFC Company |
| 4 | Choice Finserv Pvt Ltd | Business Loan | 28-07-2022 | 19.34 | 18.00% | Amount Payable on 10th every month Starting from 10-09-2022 at Installment of Rs.63,484/-. | Unsecured Loan from NBFC Company |
| 5 | Cholamandlam investment and finance company limited | Business Loan | 25-10-2023 | 18.70 | 17.50% | Amount Payable on 05th every month Starting from 05-11-2023 at Installment of Rs.58,229/-. | Unsecured Loan from NBFC Company |
| 6 | Fedbank financial services | Business Loan | 19-12-2023 | 27.47 | 17.00% | Amount Payable on 2nd every month Starting from 02-11-2023 at Installment of Rs.1,08,028/-. | Unsecured Loan from Bank |
| 7 | Godrej Finance limited | Business Loan | 17-11-2023 | 23.77 | 18.00% | Amount Payable on 3rd every month Starting from 03-11-2023 at Installment of Rs.73,437/-. | Unsecured Loan from NBFC Company |
| 8 | Mahindra and Mahindra Financial Services Limited | Business Loan | 27-03-2023 | 18.98 | 18.50% | Amount Payable on 10th every month Starting from 10-05-2022 at Installment of Rs.92,036/-. | Unsecured Loan from NBFC Company |
| 9 | MAS Financial Services Limited | SME Business Loan | 26-04-2022 | 40.53 | 18.00% | Amount Payable on 25th every month Starting from 25-05-2022 at Installment of Rs.1,23,050/-. | Unsecured Loan from NBFC Company |
| 10 | Poonawalla Fincorp | Business Loan | 17-02-2022 | 7.31 | 18.00% | Amount Payable on 03rd every | Unsecured Loan from NBFC |

| | | | | | | | |
|----|-----------------------------|-----------------------------|------------|-------|--------|---|----------------------------------|
| | Limited | | | | | month Starting from 03-02-2022 at Installment of Rs.72,561/-. | Company |
| 11 | Yes Bank | Business Loan | 08-11-2023 | 30.87 | 16.50% | Amount Payable on 8th every month Starting from 08-11-2023 at Installment of Rs.1,23,915/-. | Unsecured Loan from Bank |
| 12 | Electronica Finance Limited | Working Capital Demand Loan | 27-06-2022 | 8.14 | 15.00% | Interest of RS.12500.00 Payable From Month 1 To 2 and Interest + Principle of RS.257862. From Month 3 To 6. Interest of RS.12500.00 Payable From Month 1 To 2 and Interest + Principle of RS.257862. From Month 3 To 6 | Unsecured Loan from NBFC Company |

Details of short-term unsecured borrowings:

| Sr. No. | Lender | Company | Date of Sanction of Loan | Amount outstanding as at March 31, 2024 (In Lakhs) | Rate of interest (%) | Security/Principal terms and conditions |
|---------|------------------|-------------------------|--------------------------|--|--|--|
| 1 | Banking Company | Axis Bank (Cash Credit) | 31-01-2024 | 252.55 | REPO Rate + 3.0% i.e. 9.5% p.a. at Present | SBB CGTMSE Limited 40% Margin for book Debts & 25% for Stock, interest starts from 01-08-2023. |
| 2 | Abhishek Nathani | Director of The Company | 01-04-2023 | 16.18 | - | Repayable on demand |
| 3 | Kiran Nathani | Director of The Company | 01-04-2023 | 0.02 | - | Repayable on demand |

Annexure 10: Trade Payables

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|--|-----------------------|-----------------------|-----------------------|
| Outstanding dues of micro enterprises and small enterprises | | | |
| Outstanding for Following Period from Due date | | | |
| Less than 01 Years | 1.38 | - | - |

| | | | |
|--|---------------|---------------|---------------|
| Outstanding Disputed dues of creditors other than micro enterprises and small enterprises | | | |
| Unbilled | | | |
| Not Due | | | |
| Outstanding for Following Period from Due date | | | |
| Less than 01 Years | 165.22 | 394.09 | 130.27 |
| 01-02 Years | 33.1 | - | - |
| 02-03 Years | - | - | - |
| More than 3 Years | - | - | - |
| Total | 199.70 | 394.09 | 130.27 |

Annexure 11: Other Current Liabilities

| Particulars | As at 31st Mnarch 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---------------------------------------|------------------------|-----------------------|-----------------------|
| (i) Statutory Remittance | | | |
| (i) TDS/TCS Payable | 2.23 | 2.53 | 0.31 |
| (ii) PF & ESI Payable | 0.19 | 0.08 | 0.46 |
| (ii) Advanced from Customers | 0.51 | 2.75 | 0.25 |
| (iii) Other Payables (Specify Nature) | | | |
| Reimbursement Expenses | - | - | - |
| Salary Payable | 12.24 | 1.47 | 5.74 |
| Total | 15.17 | 6.83 | 6.76 |

Annexure 12: SHORT TERM PROVISIONS

| Particulars | As at 31st March 2024 | As at 31 st March 2023 | As at 31st March 2022 |
|-----------------------------|-----------------------|------------------------|-----------------------|
| (a) Others (Specify nature) | | | |
| (i) Income Tax | 19.89 | 28.01 | 8.22 |
| (ii) Audit Fees | - | - | 0.21 |
| Total | 19.89 | 28.01 | 8.43 |

Annexure 13: Property, Plant And Equipment

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|------------------------|----------------------------|-----------|----------------------|-------------------------------|----------------------------|---|----------------------------------|-------------------------|-------------------------------|-------------------------------|----------------------------|
| | Balance as at 1 April 2020 | Additions | Disposal/ Adjustment | Balance as at 31st March 2021 | Balance as at 1 April 2020 | Amount Charged due to Effect of Companies act | Depreciation charge for the year | Deductions/ Adjustments | Balance as at 31st March 2021 | Balance as at 31st March 2021 | Balance as at 1 April 2020 |
| Tangible Assets | | | | | | | | | | | |
| Plant & Machinery | 36.15 | 1.13 | - | 37.28 | 9.85 | 10.08 | 4.63 | - | 4.40 | 32.88 | 26.31 |
| Furniture & Fixture | 13.15 | 1.72 | - | 14.88 | 2.32 | 4.15 | 3.06 | - | 1.22 | 13.65 | 10.84 |
| Electrical Fittings | 0.62 | 0.66 | - | 1.28 | 0.12 | 0.19 | 0.28 | - | 0.21 | 1.07 | 0.50 |
| Computer & Printers | 3.28 | - | - | 3.28 | 1.82 | 0.56 | 1.13 | - | 2.39 | 0.88 | 1.46 |

| | | | | | | | | | | | |
|--------------------------|--------------|-------------|----------|--------------|--------------|--------------|-------------|----------|-------------|--------------|--------------|
| Intangible Assets | | | | | | | | | | | |
| Software | - | 0.36 | - | 0.36 | - | - | 0.07 | - | 0.07 | 0.29 | - |
| Total | 53.21 | 3.87 | - | 57.07 | 14.10 | 14.98 | 9.18 | - | 8.30 | 48.78 | 39.11 |

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|--------------------------|----------------------------|-------------|----------------------|-------------------------------|----------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------|-------------------------------|----------------------------|
| | Balance as at 1 April 2021 | Additions | Disposal/ Adjustment | Balance as at 31st March 2022 | Balance as at 1 April 2021 | Amount Charged due to take over | Depreciation charge for the year | Deductions/ Adjustments | Balance as at 31st March 2022 | Balance as at 31st March 2022 | Balance as at 1 April 2021 |
| Tangible Assets | | | | | | | | | | | |
| Plant & Machinery | 37.28 | 1.16 | - | 38.45 | 4.40 | - | 4.60 | - | 9.00 | 29.44 | 32.88 |
| Furniture & Fixture | 14.88 | 0.40 | - | 15.27 | 1.22 | - | 2.50 | - | 3.72 | 11.55 | 13.65 |
| Electrical Fittings | 1.28 | - | - | 1.28 | 0.21 | - | 0.23 | - | 0.44 | 0.84 | 1.07 |
| Computer & Printers | 3.28 | 0.13 | - | 3.40 | 2.39 | - | 0.52 | - | 2.91 | 0.49 | 0.88 |
| Intangible Assets | | | | | | | | | | | |
| Software | 0.36 | 0.11 | - | 0.47 | 0.07 | - | 0.09 | - | 0.17 | 0.30 | 0.29 |
| Total | 57.07 | 1.79 | - | 58.87 | 8.30 | - | 7.94 | - | 16.24 | 42.63 | 48.78 |

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|--------------------------|------------------------------|-------------|----------------------|-------------------------------|------------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------|-------------------------------|------------------------------|
| | Balance as at 1st April 2022 | Additions | Disposal/ Adjustment | Balance as at 31st March 2023 | Balance as at 1st April 2022 | Amount Charged due to take over | Depreciation charge for the year | Deductions/ Adjustments | Balance as at 31st March 2023 | Balance as at 31st March 2023 | Balance as at 1st April 2022 |
| Tangible Assets | | | | | | | | | | | |
| Plant & Machinery | 38.45 | 2.37 | - | 40.81 | 9.00 | - | 3.93 | - | 12.94 | 27.88 | 29.44 |
| Furniture & Fixture | 15.27 | 0.44 | - | 15.72 | 3.72 | - | 2.01 | - | 5.73 | 9.99 | 11.55 |
| Electrical Fittings | 1.28 | - | - | 1.28 | 0.44 | - | 0.17 | - | 0.60 | 0.67 | 0.84 |
| Computer & Printers | 3.40 | 3.35 | - | 6.76 | 2.91 | - | 0.83 | - | 3.74 | 3.01 | 0.49 |
| Intangible Assets | | | | | | | | | | | |
| Software | 0.47 | - | - | 0.47 | 0.17 | - | 0.09 | - | 0.26 | 0.21 | 0.30 |
| Total | 58.87 | 6.16 | - | 65.03 | 16.24 | - | 7.03 | - | 23.27 | 41.76 | 42.63 |

| | | | |
|---------------------|--------------------|---------------------------------|------------------|
| Fixed Assets | Gross Block | Accumulated Depreciation | Net Block |
|---------------------|--------------------|---------------------------------|------------------|

| | Balance as at 1 April 2023 | Additions | Disposal/ Adjustment | Balance as at 31st March 2024 | Balance as at 1 April 2023 | Amount Charged due to take over | Depreciation charge for\ the year | Deductions/ Adjustments | Balance as at 31st March 2024 | Balance as at 31st March 2024 | Balance as at 1 April 2023 |
|--------------------------|----------------------------|---------------|----------------------|-------------------------------|----------------------------|---------------------------------|-----------------------------------|-------------------------|-------------------------------|-------------------------------|----------------------------|
| Tangible Assets | | | | | | | | | | | |
| Plant & Machinery | 48.10 | - | - | 48.10 | | 21.35 | 4.41 | - | 25.76 | 22.33 | 27.88 |
| Furniture & Fixture | 15.80 | - | - | 15.80 | | 5.82 | 1.65 | - | 7.47 | 8.33 | 9.99 |
| Electrical Fittings | 1.28 | - | - | 1.28 | | 0.43 | 0.14 | - | 0.57 | 0.71 | 0.67 |
| Computer & Printers | 6.76 | - | - | 6.76 | | 3.74 | 0.46 | - | 4.20 | 2.56 | 3.01 |
| Intangible Assets | | | | | | | | | | | |
| Software | - | - | - | - | - | - | - | - | - | - | - |
| Goodwill | - | 111.73 | - | 111.73 | - | - | 11.17 | - | 11.17 | 100.56 | - |
| Total | 71.93 | 111.73 | - | 183.66 | - | 31.34 | 17.83 | - | 49.17 | 134.49 | 41.55 |

Annexure 14: Non-Current Investments

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|--|-----------------------|-----------------------|-----------------------|
| (a) Investment in Mutual Funds | - | - | 1.89 |
| (b) Investment in Quoted Shares | - | - | 103.78 |
| (c) Investment in Property | - | - | 52.70 |
| (d) Investment in Fixed Deposit | - | - | 13.07 |
| Total | - | - | 171.44 |

Annexure 15: Long Term Loans and Advances

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| (Unsecured and Considered Good) | | | |
| a. Security Deposits | 4.42 | 3.22 | 10.75 |
| b. other | - | - | - |
| Total | 4.42 | 3.22 | 10.75 |

Annexure 16: Inventories

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------|-----------------------|-----------------------|
| a. Finished Goods | 455.96 | 387.13 | 95.44 |
| (Valued at Lower of Cost or NRV as per FIFO Method) | | | |
| b. Semi Finished Goods | 123.28 | 45.06 | 35.97 |
| (Valued At Estimated Cost as per FIFO Method) | | | |
| c. Raw Materials | 86.89 | 42.68 | 123.94 |
| (Valued at Lower of Cost or NRV as per FIFO Method) | | | |
| d. Packing Materials | 0.35 | 5.28 | 12.94 |
| (Valued at Lower of Cost or NRV as per FIFO Method) | | | |
| Total | 666.48 | 480.15 | 268.29 |

Annexure 17: Trade Receivables

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|--------------------------|
| Undisputed Trade Receivable - Considered good | | | |
| Not Due | | | |
| Outstanding for Following Period from Due date | | | |
| Less than 6 Months | 431.59 | 526.64 | 75.17 |
| 6 Months - 1 Years | 1.08 | 0.33 | 1.83 |
| 01-02 Years | 21.83 | 7.50 | 1.58 |
| 02-03 Years | 5.88 | - | - |
| More than 3 Years | - | - | - |
| disputed Trade Receivable - Considered good | | | |
| Not Due | | | |
| Outstanding for Following Period from Due date | | | |
| Less than 6 Months | - | - | - |
| 6 Months - 1 Years | - | - | - |
| 01-02 Years | 1.62 | - | - |
| 02-03 Years | - | - | - |
| More than 3 Years | - | - | - |
| Total | 462.00 | 534.47 | 78.58 |

Annexure 18: Cash And Cash Equivalents

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|------------------------------|--------------------------|--------------------------|--------------------------|
| a. Cash on Hand | 16.66 | 11.40 | 60.76 |
| b. Balance with Banks | | | |
| (i) in Current Accounts | 3.47 | 45.71 | 17.27 |
| (i) in Credit Card | - | - | 2.50 |
| Total | 20.13 | 57.11 | 80.53 |

Annexure 19: Short Term Loans and Advances

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|--------------------------|
| (Unsecured and Considered Good) | | | |
| a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company | - | - | 12.41 |
| b. Loan & Advances to Others | - | - | 16.91 |
| c. Balance with Government Authorities | 18.61 | 13.74 | 14.17 |
| d. Others (specify nature) | | | |
| Advances to Suppliers for Services/Goods | 34.17 | 4.65 | 25.56 |
| Total | 52.78 | 18.39 | 69.05 |

Annexure 20: Other Current Assets

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|--------------------------|
| (a) Others | | | |
| Others (interest recoverable from Bank) | - | - | 3.40 |
| Total | - | - | 3.40 |

Annexure 21: Contingent Liabilities and Commitments

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------|-----------------------|-----------------------|
| (a) Contingent Liabilities | | | |
| a. Claims against the company not acknowledged as debts | - | - | - |
| b. Guarantees | - | - | - |
| c. Other Money for which the company is contingently liable | 3.99 | - | - |
| (b) Commitments | - | - | - |
| Total | 3.99 | - | - |

Annexure 22: Revenue from Operations

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|------------------|--------------------------------------|------------------------------------|------------------------------------|
| Sale of Products | 2,026.51 | 1,548.05 | 498.92 |
| Total | 2,026.51 | 1,548.05 | 498.92 |

Annexure 22.1: Particulars of Sale of Products/Services

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|----------------------|--------------------------------------|------------------------------------|------------------------------------|
| Sale of Goods | | | |
| Garment Sales | 2,026.51 | 1,548.05 | 498.92 |
| Total | 2,026.51 | 1,548.05 | 498.92 |

Annexure 23: Other Income

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---|--------------------------------------|------------------------------------|------------------------------------|
| Freight Inward Income | 0.02 | 1.00 | - |
| Misc Income | 0.31 | - | 0.55 |
| Income from F&O | - | - | 5.68 |
| Cash Discount | 0.04 | - | - |
| Interest From Parties/financial service | - | 0.45 | - |
| Interest from Banks | - | - | 0.65 |
| Profit on Sale of Mutual Funds | - | - | - |
| Profit on Forward Contract | - | - | - |
| Profit on Sale of Equity Shares | - | - | 20.35 |
| Profit on Intraday | - | - | 0.11 |
| Creditors Written Of | - | - | 12.91 |
| Rate Difference Income | 0.49 | - | - |
| Total | 0.86 | 1.45 | 40.25 |

Annexure 24: Cost of Material Consumed

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-------------------------------------|--------------------------------------|------------------------------------|------------------------------------|
| Raw Materials | | | |
| Opening Stock Raw Materials | 41.92 | 123.94 | 78.27 |
| Add:- Purchase of Raw Materials | 1,832.48 | 1,210.34 | 426.35 |
| Closing Stock of Raw Materials | 86.89 | 41.92 | 123.94 |
| Packing Materials | | | |
| Opening Stock Packing Materials | 4.45 | 12.94 | 11.50 |
| Add:- Purchase of Packing Materials | 0.26 | 4.23 | 8.50 |
| Closing Stock of Packing Materials | 0.35 | 4.45 | 12.94 |

| | | | |
|--------------|-----------------|-----------------|---------------|
| Total | 1,791.87 | 1,305.08 | 387.74 |
|--------------|-----------------|-----------------|---------------|

Annexure 25: Changes in Inventories Of Finished Goods, Work In Progress

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---|---|---------------------------------------|---------------------------------------|
| Inventories at the end of the year | | | |
| Finished Goods | 455.96 | 433.78 | 95.44 |
| Semi-Finished Goods | 123.28 | - | 35.97 |
| Inventories at the beginning of the year | | | |
| Finished Goods | 433.78 | 95.44 | 50.39 |
| Work-In-Progress | - | 35.97 | 12.89 |
| Net(Increase)/decrease | -145.46 | -302.37 | -68.13 |

Annexure 26: Employee Benefits Expenses

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---|---|---------------------------------------|---------------------------------------|
| (a) Salaries and Wages | 62.35 | 149.15 | 50.62 |
| (b) Contributions to Provident Fund & Other Fund | | | |
| (b) Provident fund & ESIC | 1.75 | 1.25 | 1.10 |
| (c) Gratuity Expenses | - | - | - |
| (b) Staff welfare expenses | 2.72 | 12.56 | 1.52 |
| Total | 66.82 | 162.96 | 53.24 |

Annexure 27: FINANCE COST

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------------------------|---|---------------------------------------|---------------------------------------|
| (a) Interest expense :- | | | |
| (i) Borrowings | 49.19 | 34.59 | 19.48 |
| (ii) Others | | | - |
| - Interest on TDS | 0.10 | | - |
| - Interest on GST | - | - | 0.23 |
| (b) Other borrowing costs | 13.07 | 7.03 | 4.02 |
| Total | 62.36 | 41.62 | 23.73 |

Annexure 28: Depreciation And Amortisation

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|------------------|---|---------------------------------------|---------------------------------------|
| Depreciation Exp | 17.83 | 7.03 | 7.94 |
| Total | 17.83 | 7.03 | 7.94 |

Annexure 29: Other Expenses

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|--|---|---------------------------------------|---------------------------------------|
| Discount on Sales | 0.26 | - | - |
| Manufacturing Expenses- | | | |
| Jobwork & Cutting Expenses | 68.04 | 113.41 | 57.69 |
| Testing and Inspection of Equipments Expenses | - | | 0.01 |
| Power & Fuel Expenses | 6.92 | 14.25 | 7.00 |
| Freight Forwarding Exp | 3.24 | 0.26 | 2.78 |

| | | | |
|--|-------|-------|-------|
| Consumable Exp | 3.40 | 22.75 | |
| EMB Work | 0.01 | - | 0.02 |
| Hand Work | 0.11 | - | - |
| Febric Work | 0.13 | - | |
| Cutting exp | 0.11 | | - |
| House Keeping exp | 0.20 | - | - |
| Packing Material | 0.19 | - | - |
| Other Manufacturing Exp | 0.58 | 11.48 | 1.82 |
| Washing Charges | 0.38 | | - |
| Selling & Distribution Exp- | | | |
| Advertising & Marketing Expenses | 5.77 | 4.06 | 0.64 |
| Commission Expenses | 0.51 | 4.75 | 1.69 |
| Freight Outward Exp | | 13.86 | - |
| Establishment Expenses- | | | |
| ROC Fees | 5.73 | | - |
| Rent Exp. | 17.95 | 16.80 | 15.53 |
| Postage and Courier charges | 0.32 | 1.63 | 0.60 |
| Insurance Exp | 3.00 | - | - |
| Auditor Fees | | 0.67 | 0.21 |
| Printing & Stationery Exp | 0.79 | 3.37 | 0.43 |
| Legal & Professional Fees | 4.12 | 6.95 | 0.45 |
| Travelling Expenses | 0.77 | 13.82 | 3.25 |
| Rates & Taxex | | 3.31 | |
| Water Expenses | 0.44 | - | - |
| Bank Charges | 0.56 | 0.22 | 1.24 |
| Accounting Charges | | - | |
| Repairs & Maintenance | 1.53 | 4.08 | 5.08 |
| Content writing exp | 0.08 | | - |
| Lab testing exp. | 0.65 | | - |
| Telephone & Internet Expenses | 0.68 | 0.91 | 0.35 |
| Electrical Expenses | | - | - |
| Sweet exp | 0.14 | - | - |
| Website Maintenance Charges | 1.29 | - | - |
| Pollution fees | 0.08 | - | - |
| Domain Charges | 0.09 | - | - |
| Office Maintenance & House Keeping Exp | 0.05 | 9.39 | 1.95 |
| Product Photography exp | 1.33 | - | - |
| Listing charges | 0.65 | | - |
| Sitting Fees | 0.48 | | - |
| Stationary Exp | 0.28 | | - |
| Stamping Charges | 4.52 | | - |
| Shipping Fees | 0.97 | | |
| Secretarial work | 0.12 | | 3.21 |
| Insurance Exp | | | 0.47 |
| Security Charges | | 1.90 | 0.47 |
| F & o / Share Transaction Charges | | | 1.09 |
| Vehicle Repairs & Main | | | - |
| GST Late Fees | | | 0.01 |
| Miscellaneous Expense | 2.30 | 11.73 | 2.56 |

| | | | |
|--------------|---------------|---------------|---------------|
| Total | 138.77 | 259.60 | 108.55 |
|--------------|---------------|---------------|---------------|

Annexure 29.1: PAYMENT TO AUDITORS AS:

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-----------------------------|--------------------------------------|------------------------------------|------------------------------------|
| Payment to auditors | | | |
| a. Statutory/Tax Audit fees | 1.00 | 0.67 | 0.21 |
| b. taxation matters | - | - | - |
| c. company law matters | - | - | - |
| Total | 1.00 | 0.67 | 0.21 |

Annexure 30: DEFERRED TAX ASSET/LIABILITY

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|--|-----------------------|-----------------------|-----------------------|
| WDV as per book | 134.49 | 41.76 | 42.63 |
| WDV as per IT | 122.17 | 40.51 | 44.41 |
| Time Difference | 12.32 | 1.25 | (1.79) |
| Disallowance (Provision for Gratuity) | - | - | - |
| Brought forward Unabsorbed Loss & Depreciation | - | - | - |
| Total | 12.32 | 1.25 | (1.79) |
| As per B/S (Liability/(Asset)) | 3.43 | 0.35 | (0.46) |
| Transfer to P & L A/c (Loss/(Profit)) | 3.08 | 0.81 | (0.21) |

Annexure 31: RECONCILIATION OF RESTATED PROFIT

| Adjustments for | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|--|--------------------------------------|------------------------------------|------------------------------------|
| Net profit/(Loss) after Tax as per Audited Profit & Loss Account | 71.40 | 57.30 | 24.86 |
| Adjustments for: | | | |
| Capitalization of Expenditure | - | - | 1.49 |
| Effect of Changes of depreciation | 0.00 | (0.31) | (0.82) |
| Income Tax Provision | 0.00 | (1.21) | (2.12) |
| Deferred Tax Liability / Asset Adjustment | 0.81 | (0.81) | 0.21 |
| Net Profit/ (Loss) After Tax as Restated | 72.21 | 54.97 | 20.64 |

Note:

1 Income Tax Provision

There is difference in taxation as per audited books and restated books as the taxation provision is calculated on restated profits.

2 Deferred Tax Liability/ Asset Adjustment

In Audited Financial Statements, there was mistake in calculating Deferred Tax Asset/Liability which is rectified in Restated Financial Statements.

3 Effect of Changes of depreciation

In Audited Financial Statements, there was calculation of depreciation based on Income tax Act, 1961 but same shall be rectified by charging depreciation as per schedule ii companies act, 2013.

4 Capitalization of Expenditure

Expenses which are capital in nature and charges to profit and loss account are to be capitalised in the restated accounts.

5 To Give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the restated financial statements, wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the company for all the years and the requirements of the securities and Exchange board of India (Issue of Capital and Disclosure Requirement) Regulations 2018.

Due to changes in accounting policies and other adjustments as stated above, the Company has recalculated the Income-tax provision and MAT Credit Entitlement and Set-off thereof at the rate of normal Tax rate applicable at the end of relevant year and accordingly, their readjusted amounts have been provided in Tax Shelter.

Annexure 32: Related Party Transaction

i) Names of related parties and description of relationship with the company

A) Key Managerial Personnel and their Relatives

a. Abhishek Nathani - Director

b. Kiran Nathni - Director/CFO

c. Rajkumar Nathani - Relative of Director

d. Monica Mahaveer Jain- CS

Transaction and Balances

| Name | Relation | Nature of Transaction | F.Y. 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | |
|----------------------|--|------------------------------|------------------------------|---------|----------|----------------------------|---------|----------|----------------------------|---------|----------|
| | | | Outstanding as on 31.03.2024 | Debited | Credited | Outstanding as on 31.03.23 | Debited | Credited | Outstanding as on 31.03.22 | Debited | Credited |
| Abhishek Nathani | Director | Unsecured loan | 16.18 | 15.00 | 31.18 | - | | | - | - | - |
| | | Director Remuneration | 7.25 | 13.25 | 20.50 | | | | - | - | - |
| | | Reimbursement of Expenses | - | 28.52 | 28.52 | | | | - | - | - |
| | | Proprietor Capital Account | - | 402.25 | - | 402.25 | 243.85 | 301.33 | 344.77 | 37.21 | 80.30 |
| | | Share Capital | - | 516.11 | 516.11 | - | | | - | - | - |
| Rajkumar Nathani | Relative of Director | Loan & Advances | - | - | | - | 23.35 | 25.35 | (2.00) | - | - |
| | | Salary Account | - | - | - | 0.01 | 0.92 | | 0.93 | 4.17 | 4.40 |
| Diva Enterprise | Enterprise in which director is interested | Purchase/Jobwork | - | - | - | - | 37.63 | 62.88 | (25.25) | 101.67 | 70.12 |
| | | Loan & Advances | - | - | - | - | - | 2.71 | (2.71) | | |
| Kiran Nathani | Director | Director Remuneration/Salary | 2.50 | 10.25 | 12.75 | - | - | - | - | 0.70 | - |
| | | Reimbursement of Expenses | 0.03 | 0.25 | 0.28 | - | - | - | - | - | - |
| | | Loan & Advances | - | - | - | - | 22.83 | 30.53 | (7.70) | 7.70 | 14.79 |
| | | Share Capital | - | 0.10 | 0.10 | - | - | - | - | - | - |
| Monica Mahaveer Jain | CS | Salary & Incentive | 0.26 | 1.75 | 2.01 | | | | | | |

Annexure 33: Summary of Accounting Ratios

| Ratios | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---|--------------------------------------|------------------------------------|------------------------------------|
| Restated PAT as per P&L Account | 72.21 | 54.97 | 20.64 |
| Weighted Average Number of Equity Shares at the end of the Year/Period (Pre Bonus Issue) | 51,61,200 | 51,61,200 | 51,61,200 |
| Weighted Average Number of Equity Shares at the end of the Year/Period (Post Bonus Issue) | 51,61,200 | 51,61,200 | 51,61,200 |
| No. of equity shares at the end of the year/period (Pre Bonus Issue) | 51,61,200 | 51,61,200 | 51,61,200 |
| No. of equity shares at the end of the year/period (Post Bonus Issue) | 51,61,200 | 51,61,200 | 51,61,200 |
| Net Worth | 587.49 | 394.86 | 336.95 |
| EBIDTA | 161.34 | 115.75 | 13.27 |
| Earnings Per Share | | | |
| Basic & Diluted EPS | 1.40 | 1.07 | 0.40 |
| Adjusted Basic & Diluted EPS | 1.40 | 1.07 | 0.40 |
| Return on Net Worth (%) | 12.29% | 0.14 | 0.06 |
| Net Asset Value Per Share (Rs) (Pre Bonus Issue) | 11.38 | 7.65 | 6.53 |
| Net Asset Value Per Share (Rs) (Post Bonus Issue) | 11.38 | 7.65 | 6.53 |
| Nominal Value per Equity share (Rs.) | 10.00 | 10.00 | 10.00 |

Notes:

1. Ratios have been calculated as below-

Basic and Diluted Earnings Per Share (EPS) (Rs.)- $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year/period}}$

Return on Net Worth (%) - $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$

Net Asset Value per equity share (Rs.) - $\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year/period}}$

2. While calculating the above accounting Ratios we are considered that if the share allotted at time of conversion are outstanding from period which are covered under restated financials.

Annexure 34: Statement Of Tax Shelters

| Particulars | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|--|--------------------------------------|------------------------------------|------------------------------------|
| Profit before tax as per books (A) | 95.18 | 75.58 | 26.10 |
| Normal Corporate Tax Rate (%) | 26.00% | 26.00% | 26.00% |
| Normal Corporate Tax Rate (Other Source) (%) | 26.00% | 26.00% | 26.00% |
| MAT Rates | 15.06% | 15.06% | 15.06% |
| Tax at notional rate of profits | 24.75 | 19.65 | 6.79 |
| Adjustments: | | | |
| Permanent Differences(B) | | | |
| Expenses disallowed/Income disallowed under Income Tax Act, 1961 | | | |
| Donations | - | - | 3.21 |
| Disallowance u/s 40(a)(ia) | - | 0.65 | 0.95 |
| Expenses from Speculation Business | - | - | - |
| Sale of Fixed Assets | - | - | - |

| | | | |
|---|----------------|---------------|---------------|
| Interest Paid on TDS | 0.10 | - | 0.01 |
| Total Permanent Differences(B) | 0.10 | 0.65 | 4.17 |
| Income from Other Sources | 0.00 | 0.00 | 1.20 |
| Income from Capital Gain | 0.00 | 0.00 | 20.35 |
| Total Income considered separately (C) | 0.00 | 0.00 | 21.55 |
| Timing Differences (D) | | | |
| Difference between tax depreciation and book depreciation | (16.25) | (0.09) | (0.22) |
| Depreciation as per P & L A/c | 17.83 | 7.03 | 7.94 |
| Depreciation as per Income tax | 34.08 | 7.12 | 8.16 |
| Disallowance u/s 43B | - | - | - |
| Total Timing Differences (D) | (16.25) | (0.09) | (0.22) |
| Net Adjustments E = (B+D) | (16.15) | 0.56 | 3.95 |
| Tax expense / (saving) thereon | (4.20) | 0.15 | 1.03 |
| Profit On Sale of Investment | - | - | 20.35 |
| Long Term Capital Gain (F) | - | - | 20.35 |
| Interest & Dividend Income | - | - | 1.20 |
| Income from Other Sources (G) | - | - | 1.20 |
| Loss of P.Y. Brought Forward & Adjusted(H) | - | - | 0.11 |
| Brought Forward Business Loss | | - | - |
| Brought Forward Capital Gain loss | | | 0.11 |
| Brought Forward Depreciation | | | - |
| Brought Forward MAT Credit | | | - |
| Taxable Income/(Loss) (A+E+F+G) | 79.04 | 76.14 | 29.94 |
| Taxable Income/(Loss) as per MAT | 95.18 | 75.58 | 26.10 |
| Disallowance as per MAT | - | - | - |
| Tax as per MAT | 15.89 | 11.79 | 4.07 |
| Basic Tax | 14.28 | 11.34 | 3.91 |
| Surcharge | 1.00 | - | - |
| Edu cess | 0.61 | 0.45 | 0.16 |
| Tax as per Normal Calculation | 19.89 | 19.80 | 5.67 |
| Basic Tax | 17.39 | 19.03 | 5.45 |
| Surcharge | 1.74 | - | - |
| Edu cess | 0.77 | 0.76 | 0.22 |
| MAT Credit Used | - | - | - |
| Income Tax as returned/computed | 19.89 | 19.80 | 5.67 |
| Interest Payable | - | - | - |
| Tax paid as per normal or MAT | Normal | Normal | Normal |

Annexure 35: Capitalisation Statement as at 31st March 2024

| Particulars | Pre Issue | Post Issue |
|--|---------------|-----------------|
| Borrowings | | |
| Short term debt (A) | 301.32 | 301.32 |
| Long Term Debt (B) | 213.29 | 213.29 |
| Total debts (C) | 514.61 | 514.61 |
| Shareholders' funds | | |
| Equity share capital | 516.12 | 781.92 |
| Reserve and surplus - as restated | 71.37 | 470.07 |
| Total shareholders' funds | 587.49 | 1,251.99 |
| Long term debt / shareholders funds | 0.36 | 0.17 |
| Total debt / shareholders funds | 0.88 | 0.41 |

Notes:

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at June 30, 2023.

Annexure 36: Ratio Analysis

| Ratio | Numerator | Denominator | March 31, 2024 | March 31, 2023 | March 31, 2022 | March 31, 2021 | % change from March 31, 2022 to March 31, 2024 | % change from March 31, 2022 to March 31, 2023 |
|---|---|--|----------------|----------------|----------------|----------------|--|--|
| Current ratio | Current Assets | Current Liabilities | 2.24 | 1.64 | 1.61 | 1.59 | 36.48 | 1.85 |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 0.88 | 0.79 | 0.72 | 0.64 | 11.23 | 9.32 |
| Debt Service Coverage ratio* | EBDIT | Interest + debt | 0.28 | 0.35 | 0.22 | 0.19 | (20.64) | 62.52 |
| Return on Equity ratio* | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 0.15 | 0.15 | 0.06 | 0.02 | (2.14) | 131.21 |
| Inventory Turnover ratio* | Revenue from sales of products | Average Inventory | 3.53 | 4.14 | 2.37 | 1.66 | (14.55) | 74.67 |
| Trade Receivable Turnover Ratio* | Revenue from operations | Average Trade Receivable | 4.07 | 5.05 | 6.20 | 2.10 | (19.46) | (18.51) |
| Trade Payable Turnover Ratio* | Cost of Purchase | Average Trade Payables | 6.05 | 4.98 | 3.82 | 0.80 | 21.53 | 30.35 |
| Net Capital Turnover Ratio* | Revenue from operations | Working capital | 3.05 | 3.63 | 2.63 | 1.72 | (16.13) | 38.18 |
| Net Profit ratio | Net Profit | Revenue from operations | 0.04 | 0.04 | 0.04 | 0.03 | 0.35 | (14.18) |
| Return on Capital Employed* | Earnings before interest and taxes | Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.14 | 0.17 | 0.09 | 0.07 | (14.13) | 93.07 |

Notes:

Reasons for variance of more than 25% in above ratios cannot be explained as period of 3 months of FY 23-24 cannot be compared with period of one-year i.e FY 22-23.

Percentage Change from 31st March 2023 to 31st March 2024

| Particular | Remarks |
|------------------------------|---|
| Current ratio | |
| Debt- Equity Ratio | Due to company borrow more capital from market to operate its operation |
| Debt Service Coverage ratio* | |

| | |
|----------------------------------|---|
| Return on Equity ratio* | |
| Inventory Turnover ratio* | Due to company has achieve the 3x growth in turnover during the year. |
| Trade Receivable Turnover Ratio* | due to company is able to collect on its receivables on timely basis |
| Trade Payable Turnover Ratio* | due to Prompt payment is made to suppliers to purchase on credit |
| Net Capital Turnover Ratio* | Due to company is able to generate larger amount of sales |
| Net Profit ratio | |
| Return on Capital Employed* | |

Percentage Change from 31st March 2022 to 31st March 2023

| Particular | Remarks |
|----------------------------------|---|
| Current ratio | |
| Debt- Equity Ratio | |
| Debt Service Coverage ratio* | Due to Company has achieve higher profit as compared to previous year which leads to more greater ability to pay debts. |
| Return on Equity ratio* | Due to Company has achieve higher profit as compared to previous year which affect the ratio positively. |
| Inventory Turnover ratio* | Due to company has achieve the 3x growth in turnover during the year. |
| Trade Receivable Turnover Ratio* | |
| Trade Payable Turnover Ratio* | due to higher inventories cost. |
| Net Capital Turnover Ratio* | Due to company has achieve higher profit in lower capital margin. |
| Net Profit ratio | |
| Return on Capital Employed* | Its shows the company has more ability to generate the profit compared to its tangible net worth. |

Percentage Change from 31st March 2021 to 31st March 2022

| Particular | Remarks |
|----------------------------------|---|
| Current ratio | |
| Debt- Equity Ratio | |
| Debt Service Coverage ratio* | Due to Company has achieve higher profit as compared to previous year which leads to more greater ability to pay debts. |
| Return on Equity ratio* | Due to Company has achieve higher profit as compared to previous year which affect the ratio positively. |
| Inventory Turnover ratio* | Due to company has achieve the 3x growth in turnover during the year. |
| Trade Receivable Turnover Ratio* | Due to higher trade receivables outstanding at end of year. |
| Trade Payable Turnover Ratio* | due to higher inventories cost. |
| Net Capital Turnover Ratio* | Due to company has achieve higher profit in lower capital margin. |
| Net Profit ratio | Jump in profit as compared to its sales. |
| Return on Capital Employed* | Its shows the company has more ability to generate the profit compared to its tangible net worth. |

37. The previous year's figures have been reworked, regrouped, and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current annual financial statements and are to be read in relation to the amounts and other disclosures relating to the current financial year.
38. Since the company has taken Unsecured loan which Is given by director or other unsecured loan of company but for that company has not any agreement in writing.
39. The Company has not revalued its Property, Plant and Equipment for the restated period.
40. There has been no Capital work in progress for the rested period under consideration.
41. There has been no Intangible assets under development for the rested period under consideration.
42. Credit and Debit balances of unsecured loans, Trade Payables, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.
43. The Company does not have any charges or satisfaction which is yet to be registered with ROC or beyond the statutory period.

44. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
45. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
46. No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
47. The company has not been declared as willful defaulter by any bank or financial institution or government or government authority.
48. The company does not have transaction with the struck off under section 248 of companies act, 2013 or section 560 of Companies act 1956.
49. The company is in compliance with the number of layers prescribed under clause (87) of section 2 of company's act read with companies (restriction on number of layers) Rules, 2017.
50. **Corporate Social Responsibility (CSR):** The section 135 (Corporate social responsibility) of companies act, 2013 is not applicable to the company.
51. **Notes forming part of accounts in relation to Micro and small enterprise**
Based on information available with the company, on the status of the suppliers being Micro or small enterprises, on which the auditors have relied, the disclosure requirements of Schedule III to the Companies Act, 2013 with regard to the payments made/due to Micro and small Enterprises are given below:

| Sr. No | Particulars | Year Ended on 31 st March 2024 | | Year Ended on 31 st March 2023 | | Year Ended on 31 st March 2022 | |
|--------|--|---|----------|---|----------|---|----------|
| | | Principal | Interest | Principal | Interest | Principal | Interest |
| I | Amount due as at the date of Balance sheet | 1.38 | Nil | Nil | Nil | Nil | Nil |
| Ii | Amount paid beyond the appointed date during the year | Nil | Nil | Nil | Nil | Nil | Nil |
| Iii | Amount of interest due and payable for the period of delay in making payments of principal during the year beyond the appointed date | Nil | Nil | Nil | Nil | Nil | Nil |
| Iv | The amount of interest accrued and remaining unpaid as at the date of Balance sheet. | Nil | Nil | Nil | Nil | Nil | Nil |

The company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the company from its suppliers.

52. Title deeds of immovable Property

Title deeds of immovable property has not been held in the name of promoter, director, or relative of promoter/director or employee of promoters / director of the company.

53. Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties: -

No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

54. Shares Held By Promoters At the End of the Year

| Name of Shareholder | As at 31st March 2024 | | As at 31st March 2023 | |
|---------------------|-----------------------|--------------|-----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Abhishek Nathani | 51,51,300.00 | 99.81% | 9,900 | 99.00% |
| Kiran Nathani | 4,000.00 | 0.08% | 100 | 1% |

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management’s perspective on our financial condition and results of operations for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “*Risk Factors*” beginning on page 17 of this Draft Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Kizi Apparels Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “*Restated Financial Statements*” for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 included in this Draft Prospectus beginning on page 108 of this Draft Prospectus.

BUSINESS OVERVIEW

Our Company is led by our Promoter & Managing Director, Abhishek Nathani, who is in the field of garment designing, manufacturing and trading for last 6 years. He has established a proprietorship concern in the name and style of M/s. Aaika Creations, in November, 2017. M/s. Aaika Creations was started with a vision to bring a wave in the manufacturing industry in terms of meeting the end-to-end requirement of our customers enhancing the overall quality parameters. In Aaika Creations, he started off with some small & medium sized brands which could give him some consistent business and also, he can place himself in the market with bigger brands. His first year was with full of struggle as he was in the process of getting the knowledge and intricacy of the business & its loop holes, however, he focuses on the business potentiality. In initial years of his business, he focused on building up a strong team and strengthening roots in the market, studying the scope and opportunities in the business.

For more details, please refer chapter titled “Business Overview” on page 69 of this Draft Prospectus

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

There is no any significant development occurred in the Company.

KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

Our Company’s future results of operations could be affected potentially by the following factors:

1. Changes in Laws and Regulations that apply to our Industry.
2. Changes in Fiscal, Economic or Political conditions in India
3. Company’s inability to retain the experienced staff
4. Failure to adapt the changing technology in our industry of operation may adversely affect our business
5. Failure to comply with regulations prescribed by authorities of the jurisdiction in which we operate
6. Competition with existing and new entrants

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, “Annexure I” beginning under Chapter titled “Restated Financial Information” beginning on page 108 of the Draft Prospectus.

RESULTS OF KEY OPERATIONS

(Rs.In Lakhs)

| Particulars | For the year ended on | | |
|--|-----------------------|-----------------|---------------|
| | 31.03.2024 | 31.03.2023 | 31.03.2022 |
| Income from continuing operations | | | |
| Revenue from operations | 2,026.51 | 1,548.05 | 498.92 |
| Total Revenue | 2,026.51 | 1,548.05 | 498.92 |
| % of growth | 30.91 | 210.28 | |
| Other Income | 0.86 | 1.45 | 40.25 |

| | | | |
|---|-----------------|-----------------|---------------|
| % total Revenue | 0.04 | 0.09 | 7.47 |
| Total Income | 2,027.37 | 1,549.50 | 539.17 |
| | 30.84 | 187.39 | |
| Expenses | | | |
| Cost of Material Consumed | 1,646.41 | 1,002.71 | 319.61 |
| % of Revenue from operations | 81.24 | 64.77 | 64.06 |
| Employee benefits expense | 66.82 | 162.96 | 53.24 |
| % Increase/(Decrease) | (59.00) | 206.09 | |
| Finance Costs | 62.36 | 41.62 | 23.73 |
| % Increase/(Decrease) | 49.83 | 75.39 | |
| Other expenses | 138.77 | 259.60 | 108.55 |
| % Increase/(Decrease) | (46.54) | 139.15 | |
| Depreciation and amortisation expenses | 17.83 | 7.03 | 7.94 |
| % Increase/(Decrease) | 153.46 | (11.44) | |
| Total Expenses | 1,932.19 | 1,473.92 | 513.07 |
| % to total revenue | 95.31 | 95.12 | 95.16 |
| EBDITA | 161.34 | 115.75 | 13.27 |
| % to total revenue | 7.69 | 7.47 | 2.46 |
| Restated profit before tax from continuing operations | 95.18 | 75.58 | 26.10 |
| Exceptional Item | | | |
| Total tax expense | 22.97 | 20.61 | 5.46 |
| Restated profit after tax from continuing operations (A) | 72.21 | 54.97 | 20.64 |
| % to total revenue | 3.56 | 3.55 | 3.83 |

COMPARISON OF F.Y. 2023-24 WITH F.Y. 2022-23:

Income from Operations:

The Issuer company is primarily engaged in the business of garment designing, manufacturing and trading for last 6 years. In FY 2023-24, the company's total revenue from operation was Rs.2,026.51 Lakhs, which is increased 30.91% in compare to F.Y. 2022-23. The rise in product is because of Our Company has signed agreement with M/s. Absolute Brands and Retails Private Limited (ABRPS), Bangalore, vide Agreement dated June 05, 2023 and Agreement with M/s. Fab India Limited (FIL), New Delhi, vide Vendor Agreement (to Manufacture and Supply) dated June 21, 2023 for manufacturing of Branded products in our Company.

Expenditure:

Cost of Material Consumed:

The Cost of Material Consumed for F.Y. 2023-24 was Rs.1,646.41 Lakhs against the cost of Material Consumed of Rs.1,002.71 Lakhs in F.Y. 2022-23. The cost of material consumed was 81.24 % of the total revenue from operations in F.Y 2023-24 as against 64.77 % of total revenue from Operations in F.Y 2022-23. This surge in demand has consequently led to an escalation in material consumption.

Employee Benefits Expenses:

The Employee expenses for F.Y. 2023-24 was Rs.66.82 Lakhs against the expenses of Rs.162.96 Lakhs in F.Y. 2022-23. The employee benefit expenses was decreased by 59.009 % as compare to FY 2022-23

Finance Cost:

The Finance Cost for the F.Y. 2023-24 was Rs.62.36 Lakhs against the cost of Rs.41.62 Lakhs in the F.Y. 2022-23 showing increase of 49.83%. The company had borrowed from NBFC and banks in FY 2023-24 for the working capital requirement so that we can grow the business of the company.

Other Expenses

The other expenses for the F.Y. 2023-24 was Rs.138.77 Lakhs against the Rs.259.60 Lakhs in F.Y. 2022-23 showing decrease by 46.54% due to significant decrease in the job work expenses. Power and Fuel Expenses, Consumable expenses and other manufacturing expenses.

Depreciation and Amortisation Expenses

The Depreciation for F.Y. 2023-24 was Rs.17.83 Lakhs as compared to Rs.7.03 Lakhs for F.Y. 2022-23. The depreciation increased by 153.46 % in F.Y. 2023-24 as compared to F.Y. 2022-23.

EBDITA

The EBDITA for F.Y. 2023-24 was Rs.161.34 Lakhs as compared to Rs.115.75 Lakhs for F.Y. 2022-23, because of an increase in the business of the company by 30.91% in FY 2023-24 as compared to FY 2022-23.

COMPARISON OF F.Y. 2022-23 WITH F.Y. 2021-22

Income from Operations.

The Issuer company is primarily engaged in the business of garment designing, manufacturing and trading for last 6 years In FY 2022-23, the company's total revenue from operation was Rs.1,548.05 Lakhs, which is increased 210.28% in compare to F.Y. 2021-22. The rise in product sales has resulted in a corresponding increase in revenue. This surge in demand has consequently led to an escalation in material consumption as well.

Expenditure:

Cost of Material Consumed

The Cost of Material Consumed for F.Y. 2022-23 was Rs.1,002.71 Lakhs against the cost of Material Consumed of Rs.319.61 Lakhs in F.Y. 2021-22. The cost of material consumed was 64.77 % of the total revenue from operations in F.Y 2022-23 as against 64.06 % of total revenue from Operations in F.Y 2021-22. The sales surged by 210.28% in the financial year 2022-23 compared to 2021-22, leading to an extension of the credit period for customers from 57 days to 126 days. This lead to a rise in trade receivables.

Employee Benefits Expenses:

The Employee expenses for F.Y. 2022-23 was Rs.162.96 Lakhs against the expenses of Rs.53.24 Lakhs in F.Y. 2021-22. The employee benefit expenses was increased by 206.09% as compare to FY 2021-22

Finance Cost:

The Finance Cost for the F.Y. 2022-23 was Rs.41.62 Lakhs against the cost of Rs.23.73 Lakhs in the F.Y. 2021-22 showing increase of 75.39%. The company had borrowed from NBFC and banks in the FY 2022-23 for the growth of the business.

Other Expenses

The other expenses for the F.Y. 2022-23 was Rs.259.60 Lakhs against the Rs.108.55 Lakhs in F.Y. 2021-22 showing increase by 139.15% due to significant increase in the job work expenses.

Depreciation and Amortisation Expenses

The Depreciation for F.Y. 2022-23 was Rs.7.03 Lakhs as compared to Rs.7.94 Lakhs for F.Y. 2021-22. The depreciation decreased by 11.44 % in F.Y. 2022-23 as compared to F.Y. 2021-22.

EBDITA

The EBDITA for F.Y. 2022-23 was Rs.115.75 Lakhs as compared to Rs.13.27 Lakhs for F.Y. 2021-22, because of an increase in the business of the company by 210.28% in FY 2022-23 as compared to FY 2021-22.

CASH FLOW

| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|----------------|
| Net cash from Operating Activities | (313.04) | (226.23) | (28.88) |
| Net cash flow from Investing Activities | (112.93) | 173.71 | 3.18 |
| Net Cash Flow Financing Activities | 388.99 | 29.10 | 45.16 |

Cash flow March 31, 2024

The negative cash flow from operating activities increase in trade payables and retention of high inventory in the company. The negative cash flow from Investing activities due to acquiring / increasing in Goodwill of the company.

Cash flow March 31, 2023

The negative cash flow from operating activities due to retention of high inventory in the company. The Outflow of the cash flow from Investing activity due to investment in the shares of the Company.

Cash flow March 31, 2022

As far as Cash flow from operating activities were concerned, the company's funds blocked in change in working capital is more than the Profit earned by the Company hence the cash flow from Operating activity was negative. The inflow of the cash flow from financing activity was utilized for purchase of fixed assets.

Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

1. Unusual or infrequent events or transactions

Except COVID-19 or any such kind of pandemic, there have been no unusual or infrequent events or transactions that have taken place during the last three years.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "Risk Factors" beginning on page 18 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

3. Income and Sales on account of major product/main activities

Income and sales of our Company on account of major activities derives from providing clothing products for more information investor can refer "Business Overview" beginning on page

4. Whether the company has followed any unorthodox procedure for recording sales and revenues

Our Company has not followed any unorthodox procedure for recording sales and revenues

5. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled "Risk Factors" beginning on page 18 in this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

7. Total turnover of each major industry segment in which the issuer company operated.

The Company is in the business of service industry, the relevant industry data, as available, has been included in the chapter titled "Industry Overview" beginning on page 66 of this Draft Prospectus.

8. Status of any publicly announced new products or business segment

Our Company has not announced any new services or business segment

9. The extent to which business is seasonal.

Our business is not seasonal

10. Any significant dependence on a single or few suppliers or customers.

Our Company is not dependent on any single or few suppliers or customers.

11. Competitive conditions.

Competitive conditions are as described under the Chapters titled "Industry Overview" and "Business Overview" beginning on pages 66 and 70, respectively of this Draft Prospectus.

FINANCIAL INDEBTEDNESS

| Name of the Lender | Credit Facility | Sanctioned Amount (Rs.in Lakhs) | Outstanding Amount as on March 31, 2024 (Rs.in Lakhs) | Interest Rate per Annum | BG / LC Commission | Combined Security |
|--------------------|--------------------------------|---------------------------------|---|---|--------------------|---|
| Axis Bank Limited* | SBB CGTMSE LIMIT (Cash Credit) | 300.00 | 252.55 | Repo Rate + 3 % i.e. 9.6% p.a. at present | - | Primary Security Hypothecation of Stocks and book debts |

***Terms and Conditions:**

a) Margin

1. 40% (Book Debts / Debtors)
2. 25% (Stock)

b) Special Terms & Condition:

1. 100% business transaction should be routed through axis bank only and axis bank will be the sole banker
2. Firm will not withdraw capital during the currency of bank finance.
3. Firm will not avail any secured / unsecured facility from anywhere without prior consent of Axis Bank
4. Interest shall be serviced within 5 days of interest due/debit
5. Non Compliance of any of the terms and conditions may attract 2% penal interest.
6. The borrower shall furnish to the bank, every year, two copies of audited \ unaudited financial statements immediately on being published \ signed by the auditors \ certified by CA.

c) Penal interest:

1. Any excess drawing (Other than what has been specifically approved in the scheme) will attract penal rate of 24% p.a. on the overdrawn amount over the drawing power \ limit.
2. Any irregularity on account of non-payment of interest \ installment on due date or Non realization of the bills on the date of payment will attract penal charges \ unrealized bills purchased \ discounted from the date of rectification \ regularization as the Bank may deem fit.
3. Non-compliance with the terms of sanction will attract penal charge of 2% p.a. on the amount of overdue installment \ interest \ charges \ unrealized bills purchased \ discounted from the date of happening of the regularity \ non-compliance till the date of rectification \ regularization as the bank may deem fit.
4. Non-Compliance with the terms of sanction will attract penal charges of 2% p.a. on the outstanding amount of the facility for the period of non-compliance.

| Name of the Lender | Credit Facility | Sanctioned Amount (Rs.in Lakhs) | Outstanding Amount as on March 31, 2024 (Rs.in Lakhs) | Interest Rate per Annum | Combined Security |
|-------------------------------|-----------------------------|---------------------------------|---|-------------------------|---|
| **Electronica Finance Limited | Working capital demand loan | 20.00 | 8.14 | 16% | First Charge by the way of hypothecation of stock and book debts or specified book debts First charge by |

| | | | | | |
|--|--|--|--|--|--|
| | | | | | way of hypothecation of machine already charged to EFL |
|--|--|--|--|--|--|

****Terms and Conditions:**

Other Terms & Conditions

1. Borrower to provide end use certificate within 15 days from every disbursement date
2. Borrower to provide operative bank account statements to EFL on quarterly basis
3. Audited financials to be provided within 180 days of the close of financial year
4. Statement showing secured and unsecured loans from any source to be submitted on a quarterly basis

Following are the details of unsecured loans/indebtedness of the Company:

(Rs.In Lacs except EMI)

| Sr | Name of the Lender | Credit Facility | Sanctioned Amount | Outstanding Amount as on March 31, 2024 | Interest Rate (%) | EMI |
|----|---|-----------------|-------------------|---|-------------------|----------|
| 1 | Aditya Birla Finance Limited | Working capital | 15.00 | 5.44 | 17.50% | 53854 |
| 2 | Poonawala Fincorp Limited | Working capital | 20.00 | 7.31 | 18% | 72561 |
| 3 | Choice FinServ private Limited | Working capital | 25.00 | 19.34 | 18% | 63484 |
| 4 | Mahindra and Mahindra Financial Services Limited | Working capital | 25.10 | 18.98 | 18.50% | 92036 |
| 5 | Ashv Finance Limited | Working capital | 30.00 | 22.57 | 19% | 109969 |
| 6 | Mas Financial Services Limited | Working capital | 50.00 | 40.53 | 18% | 180792 |
| 7 | Bajaj Finance Limited | Term Loan | 23.90 | 22.74 | 18.75% | 60049 |
| 8 | Cholamandlam investment and finance company limited | Business Loan | 20.00 | 18.70 | 17.50 | 58229 |
| 9 | Fedbank Financial services Limited | Business Loan | 30.30 | 27.47 | 17.00% | 1,08,028 |
| 10 | Godrej Finance limited | Business Loan | 25.00 | 23.77 | 18.00% | 73,437 |
| 11 | Yes Bank | Business Loan | 35.00 | 30.87 | 16.50 | 1,23,915 |

Following are the details of Promoter Loans

| Sr. no | Name of the Lender | Outstanding Amount as on March 31, 2024 (Rs.In lakhs) | Interest Rate (%) | Repayment Terms |
|--------|--------------------|---|-------------------|-----------------|
| 1 | Abhishek Nathani | 16.18 | - | On Demand |
| 2 | Kiran Nathani | 0.02 | | On Demand |

OTHER FINANCIAL INFORMATION

Restated Ratios

The following changes will be Updated in Prospectus

| Ratios | For the Period ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---|--|--|--|
| Restated PAT as per P&L Account | 72.21 | 54.97 | 20.64 |
| Weighted Average Number of Equity Shares at the end of the Year/Period (Pre Bonus Issue) | 51,61,200 | 51,61,200 | 51,61,200 |
| Weighted Average Number of Equity Shares at the end of the Year/Period (Post Bonus Issue) | 51,61,200 | 51,61,200 | 51,61,200 |
| No. of equity shares at the end of the year/period (Pre Bonus Issue) | 51,61,200 | 51,61,200 | 51,61,200 |
| No. of equity shares at the end of the year/period (Post Bonus Issue) | 51,61,200 | 51,61,200 | 51,61,200 |
| Net Worth | 587.49 | 394.86 | 336.95 |
| EBIDTA | 161.34 | 115.75 | 13.27 |
| Earnings Per Share | | | |
| Basic & Diluted EPS | 1.40 | 1.07 | 0.40 |
| Adjusted Basic & Diluted EPS | 1.40 | 1.07 | 0.40 |
| Return on Net Worth (%) | 12.29% | 0.14 | 0.06 |
| Net Asset Value Per Share (Rs) (Pre Bonus Issue) | 11.38 | 7.65 | 6.53 |
| Net Asset Value Per Share (Rs) (Post Bonus Issue) | 11.38 | 7.65 | 6.53 |
| Nominal Value per Equity share (Rs.) | 10.00 | 10.00 | 10.00 |

Capitalisation Statement as at 31st March 2024

| Particulars | Pre Issue | Post Issue |
|--|---------------|-----------------|
| Borrowings | | |
| Short term debt (A) | 301.32 | 301.32 |
| Long Term Debt (B) | 213.29 | 213.29 |
| Total debts (C) | 514.61 | 514.61 |
| Shareholders' funds | | |
| Equity share capital | 516.12 | 781.92 |
| Reserve and surplus - as restated | 71.37 | 470.07 |
| Total shareholders' funds | 587.49 | 1,251.99 |
| Long term debt / shareholders funds | 0.36 | 0.17 |
| Total debt / shareholders funds | 0.88 | 0.41 |

Notes:

- The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at June 30, 2023.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal or Civil proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“Materiality Policy”), in each case involving our Company, Promoters and Directors (the “Relevant Parties”).

For the purpose of point (V) above, our Board has considered and pass the Resolution for identification of material litigation involving the Relevant Parties in its meeting held on August 10, 2023 and has considered for identification of material litigation involving the Relevant Parties.

In terms of the Materiality, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters since incorporation including outstanding action, and tax matters, would be considered ‘material’ if:

(a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs.5.00 lakhs shall be considered material; or

(b) the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on August 10, 2023 determined that outstanding dues to creditors in excess of Rs.5.00 lakhs as per the restated financials for the period ended June 30, 2023 shall be considered as material dues (“Material Dues”).

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Red Herring Prospectus.

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at www.kiziapparels.co.in. It is clarified that for the purposes of the above, pre – litigations notices received by our Company Promoters, and the Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.

PART I –LITIGATIONS INVOLVING OUR COMPANY

A. LITIGATIONS AGAINST OUR COMPANY

1. Criminal Litigations
NIL

2. Civil Proceedings
Nil

3. Taxation Matters

Our Company has not filled Income Tax Return (ITR) for FY 2022-2023 as on filing this Draft Red Herring Prospectus since our Company has not commence any business till March 31, 2023.

4. Proceedings against Our Company for economic offences/securities laws/ or any other law
NIL

5. Penalties in Last Five Years

NIL

6. Pending Notices against our Company
NIL
7. Past Notices to our Company
NIL
8. Disciplinary Actions taken by SEBI or stock exchanges against Our Company
NIL
9. Defaults including non-payment or statutory dues to banks or financial institutions
NIL
10. Details of material frauds against the Company in last five years and action taken by the Companies.
NIL

B. LITIGATIONS FILED BY OUR COMPANY

- 1) Criminal Litigations
NIL
- 2) Civil Proceedings
NIL
- 3) Taxation Matters
NIL
- 4) Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law.
NIL

PART II –LITIGATIONS INVOLVING DIRECTOR(S) OF OUR COMPANY

A. LITIGATIONS AGAINST DIRECTOR(S) OF OUR COMPANY

- 1) Criminal Litigations

An FIR has been lodged against our directors Mr. Abhishek Nathani and MRs.Kiran Nathani by Mr. Chandan, Proprietor of M/s. Manish Embroidery under section 420, 406, 384 and 120-B on November 17, 2020 for non-payment of Rs.59,572 for the semi-embroidery work services taken by the directors from M/s. Manish Embroidery. However, our promoter has submitted a statement on 29.12.2023 clarifying all the allegations made by M/s. Manish Embroidery with all copy of evidential documents.
The matter is under investigation.

- 2) Civil Proceedings

1. Woven And Knits Vs. Aaika Creations and others

A Civil Suit CS(Comm.) 12 of 2022 has been filed by Woven and Knits (hereinafter referred as the 'W&K') against the M/s. Aaika Creations (a Proprietorship firm of our Promoter Mr. Abhishek Nathani), our promoter director Mr. Abhishek Nathani and our director Ms. Kiran Nathani on 13.01.2022 in the Commercial Court, Gautam Nagar District, Uttar Pradesh for recovery of Rs.23,25,731 (Rs.16,15,214 + Rs.7,10,517 including interest @ 24% p.a. up to 31.07.2021). The W&K is a fabric trading firm operating its business in Noida, Uttar Pradesh. The W&K had supplied Fabrics/ materials to M/s. Aaika Creations worth of Rs.16,97,883 and against which invoices has been raised during February 06, 2019 to September 19, 2019. Aaika Creations made some part payments of Rs.12,112, Rs.709 and Rs.69,848 on 06.02.2019, 24.05.2019 and 22.08.2019 respectively. However, due to sub-standard quality of the materials which was supplied by W&K, Aaika Creations had subsequently halted the rest payment. The next date of hearing (Exp. Arguments) is July 08, 2024.

The matter is currently pending before the Hon'ble Court.

2. Sampark India Logistics Private Limited Vs. Aaika Creations & other

A Civil Suit bearing CIS No. CS/1559/2023 has been filed by Sampark India Logistics Private Limited, (herein after referred as the 'SIL') against M/s. Aaika Creations (a Proprietorship firm of our Promoter Mr. Abhishek Nathani) and our promoter director Mr. Abhishek Nathani at Civil Judge, Senior Division, Faridabad for recovery of Rs.2,17,198 along with an interest of 24% Per annum, SIL was providing logistics services to M/s. Aaika Creations as per the agreed agreement dated 21.08.2019 and raised invoice for the services of Rs 2,17,198 which was not cleared by M/s. Aaika Creations. Later, on 08.02.2023 a legal notice has been received by M/s. Aaika Creations to release the due amount. However, after many reminders and assurances the no payment was made to SIL. Therefore, SIL have instituted the said suit to recover the amount. The next date of hearing is July 25, 2024.

The matter is currently pending before the Hon'ble Court.

3) Taxation Matters

A. Income Tax Matter

Abhishek Nathani

| Sr. No | Assessment Year | Intimation Details | Demand Reference No. | Date of Demand Raised | Particular | Outstanding Demand (in Lacs) |
|--------------|-----------------|---|----------------------|-----------------------|------------|------------------------------|
| 1. | 2020 | under Section 1431a of Income tax Act, 1961 | 2021202037027434243T | 08.12.2021 | Demand | 0.78 |
| | | | | | Interest | 0.23 |
| Total | | | | | | 1.01 |

B. Income Tax Matters related to E-Proceedings

Except the following, there are no e-proceeding showing on the website of Income Tax against the Company, the amount has not been crystalized yet:

| Sl No. | Defective Notice / Issue Letter/Proceeding | Return Acknowledgement No. | Assessment Year | Status |
|-------------------------|--|----------------------------|-----------------|---------|
| Abhishek Nathani | | | | |
| 1. | U/s 143(1)(a) | - | 2018-19 | Pending |
| 2. | U/s 143(1)(a) | - | 2023-24 | Pending |
| Ajay Mishra | | | | |
| 1. | U/s 139(9) | 146346140050817 | 2017-18 | Pending |

4) Past Penalties imposed on our directors
NIL

5) Proceedings initiated against our Directors for economic offences/securities laws/ or any other law
NIL

6) Directors on list of wilful defaulters of RBI
NIL

B. LITIGATIONS FILED BY DIRECTOR(S) OF OUR COMPANY

1) Criminal Litigations

1. Lalit Aggarwal

A warrant or Summons Case No.: 37612/2024 has been filed on April 24, 2024 by one of our director Ms. Kiran Nathani against Mr. Lalit Aggarwal, Authorised representative of M/s. Woven and Knit at Chief Judicial Magistrate, Gautam Budh Nagar for making defamatory statement against our director and lodging false FIR to intentional attack to malign the image of our director.

The matter is pending before the Hon'ble Court.

2. M/s. Ravin Stylo Fabs India, Jaipur.

M/s. Aaika Creations has filed a case bearing no. 458/2022 against M/s. Ravin Stylo Fabs India(hereinafter referred as the 'RSF'), in the District and Session Court Jaipur Metropolitan I, Jaipur for recovery of Rs.1,50,000 with 100% penalty under Section 138 and 141 under the Negotiable Instruments Act, 1881. M/s. Aaika Creations had sold ladies garments till March, 2021 worth of Rs.5,00,560 to RSF on a credit time of 30 to 45 days against the above outstanding amount, only Rs.1,43,436 was paid on March 24, 2021. Later on April 07, 2021, Aaika Creations had again supplied ladies garments of Rs.1,68,000 to RSF making the aggregate outstanding amount of Rs.5,25,124. After several and continuous follow-ups the RSF paid Rs.1,00,000 through online transfer on September 10, 2021 and issued a cheque no.: 463926 of Rs.1,50,000 on October 10, 2021 but the same has bounced on account of "Insufficient Funds". Thus Aaika Creations institute the case against RSF. The Court had issued summons to the party in this matter. Next date of hearing is June 21, 2024.

The matter is currently pending before the Hon'ble court.

3. Bhagwati Suthar, Bhadra

A Criminal Case No. 150/2022 has been filed by our director Mr. Ajay Mishra against Ms. Bhagwati Lal for cheque dishonored of Rs.50,000 (Rupees Fifty Thousand only) under Section 138 of the Negotiable Instrument Act, 1881 on 03.03.2022 at ACJM Court Bhadra, as of now a bailable warrant has been issued against Ms. Bhagwati Lal by the Court. Next date of hearing is July 03, 2024.

The matter is currently pending before the Hon'ble court.

2) Civil Proceedings
NIL

3) Taxation Matters
NIL

Please Note: Considering all the litigation matters in the name of M/s. Aaika Creations (a proprietorship firm of our promoter and director Mr. Abhishek Nathani) which has been acquired by our Company on April 01, 2023 with all its assets and liabilities shall be considered as the litigation of Mr. Abhishek Nathani.

PART III –LITIGATIONS INVOLVING PROMOTER(S) OF OUR COMPANY

A. LITIGATIONS AGAINST PROMOTER(S) OF OUR COMPANY

1) Criminal Litigations
NIL

2) Civil Proceedings
NIL

3) Taxation Matters

Other than stated in the Part II (A), there are no other taxation matter is out standing against our promoter.

4) Past Penalties imposed on our Promoters
NIL

5) Proceedings initiated against our Promoters for economic offences/securities laws/ or any other law

NIL

6) Penalties in Last Five Years

NIL

7) Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past

NIL

8) Adverse finding against Promoter for violation of Securities laws or any other laws

NIL

B. LITIGATIONS FILED BY PROMOTERS(S) OF OUR COMPANY

1) Criminal Litigations

NIL

2) Civil Proceedings

NIL

3) Taxation Matters

NIL

Please note: Other than stated in the Part II (A) & (B), there are no other civil and criminal Litigation matters is outstanding against our promoter i.e., Mr. Abhishek Nathani who is also a director of our Company.

PART IV –LITIGATIONS INVOLVING SUBSIDIARY COMPANY:

AS ON DATE OF THIS PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY SUBSIDIARY COMPANY.

PART V –OTHER MATTERS- NIL

PART IX –MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter - “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 108 of this Draft Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

WILFUL DEFAULTER

Our Promoters and Directors have not been identified as a willful defaulter in terms of the SEBI ICDR Regulations as on the date of this Draft Red Herring Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Our Company is eligible for the Issue in accordance with eligibility norms for Listing on SME Platform of BSE Limited which states as follows:

1. The post issue paid up capital of the company (face value) shall not be more than Rs.25 crores.

The post issue paid up capital (face value) of the Company will be Rs.7.82 crores, less than Rs.25 crores.

2. Positive Net Worth

(Rs.In Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|----------------|
| Net Worth as per Restated Financial Statement | 587.49 | 394.86 | 336.95 |

3. Net Tangible Assets of Rs.150.00 Lakh

Our Net Tangible Assets as per the latest audited financial statements i.e. as on March 31, 2024 is Rs.486.93 Lakhs

4. Earnings before Interest, Depreciation and tax

(Rs.In Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---------------------------------------|----------------|----------------|----------------|
| Earnings before depreciation and tax* | 161.34 | 115.75 | 13.27 |

* As per Restated Financial Statement

6. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN No: INE0RMR01013

TERMS OF THE ISSUE

Allotment of Equity Shares in Dematerialized Form

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, 2018 the trading of the Equity Shares shall only be in dematerialised form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Draft Prospectus:

- Tripartite agreement dated November 24, 2023 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated October 20, 2023 among NSDL, our Company and the Registrar to the Issue

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is less than ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME platform of BSE Limited "BSE SME"). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 158 and 167 respectively of this Draft Prospectus.

Public issue of 26,58,000 equity shares of face value of Rs.10.00/- each for cash at a price of Rs.21 per equity share including a share premium of Rs.11 per equity share (the "issue price") aggregating to Rs.558.18 lakhs ("the issue") by our company.

ISSUE PROCEDURE

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) a tripartite agreement dated October 20, 2023 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated November 24, 2023 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No: INE0RMR01013

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

SECTION - X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at H-629, Phase- II, Sitapura Industrial Area, Sanganer, Jaipur, 302022, Rajasthan, India. between 10:00 a.m. and 5:00 p.m. (IST) on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

1. Material contracts for the Issue

1. Issue Agreement dated October 18, 2023 between our Company and the Lead Manager.
2. Registrar Agreement dated October 18, 2023 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated October 18, 2023 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated October 18, 2023 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [●] amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated November 24, 2023 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
7. Tripartite agreement dated October 20, 2023 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

2. Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated September 12, 2023 in relation to the Issue and other related matters.
3. Shareholders' resolution dated October 06, 2023 in relation to the Issue and other related matters.
4. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory & Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Underwriters to the Issue, Bankers to our Company, Banker to our Issue and Market Maker to include their names in this Draft Prospectus and to acting their respective capacities.
5. Peer Review Auditors Report dated October 12, 2023 on Restated Financial Statements of our Company for year ended on March 31, 2023.
6. The Report dated August 21, 2023 from the Statutory Auditors of our Company, confirming the Statement of Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus.
7. Audit Committees Resolution dated October 13, 2023 approving the KPI and Certificate from the Peer Review Auditor of the Company M/s. D G M S and Co., Chartered Accountants dated October 14, 2023 with respect to the KPIs disclosed in this Draft Prospectus.
8. Copy of Approval dated [●] from the SME Platform of BSE (BSE SME) to use their name in the prospectus for listing of Equity Shares.
9. Due diligence certificate submitted to BSE Limited dated October 18, 2023 from Lead Manager to the Issue.
10. Business Purchase Agreement dated June 01, 2023 between M/s Aaika Creations and Kizi Apparels Pvt Ltd.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

Signed by the Directors of the Company:

| Name | Designation | Signature |
|------------------|------------------------|-----------|
| Abhishek Nathani | Managing Director | Sd/- |
| Kiran Nathani | Executive Director | Sd/- |
| Avani Shah | Independent director | Sd/- |
| Juhi Sawajani | Independent Director | Sd/- |
| Ajay Mishra | Non-Executive Director | Sd/- |

Signed by:

| Name | Designation | Signature |
|---------------|--|-----------|
| Kiran Nathani | Chief Financial Officer | Sd/- |
| Monica Jain | Company Secretary and Compliance Officer | Sd/- |



Place: Ahmedabad

Date: October 19, 2023



Draft Prospectus
Dated: October 19, 2023
Please read section 26 and 32 of
The Companies Act, 2013
Fixed Price Issue

Kizi Apparels Limited
CIN: U14109RJ2023PLC086522
Incorporated on March 24, 2023 at Jaipur

| REGISTER OFFICE | | CONTACT PERSON | |
|---|--|---|--|
| H-629, Phase- II, Sitapura Industrial Area, Sanganer, Jaipur, 302022, Rajasthan, India. | | Monica Jain, Company Secretary and Compliance Officer | |
| EMAIL | TELEPHONE NO. | WEBSITE | |
| info@kiziapparels.com | +91 99830 23939 | www.kiziapparels.co.in | |
| OUR PROMOTER OF THE COMPANY | | | |
| Abhishek Nathani | | | |
| Type | Fresh Issue Size (₹In Lakhs) | Eligibility 229(1) / 229(2) & Share Reservation among NII &RII | |
| Fresh Issue | ₹ 664.50 Lakhs | The Issue is being made pursuant to Regulation 229(1) of SEBI (ICDR) Regulations. As the Company's post issue paid up capital is less than or equal to ten crore rupees | |
| RISK IN RELATION TO THE FIRST ISSUE | | | |
| This being the first public issue of our company, there has been no formal market for the securities of our company. The face value of the shares is ₹10.00 per equity shares and the issue price is 2.5 times of the face value. The issue price (is determined by our company in consultation with the lead manager) as stated in the chapter titled on "Basis for Issue Price" beginning on page no. 57 of this Draft Prospectus should not be taken to be indicative of the market price of the equity shares after the equity shares are listed. No assurance can be given regarding an active and/or sustained trading in the equity shares of our company nor regarding the price at which the equity shares will be traded after listing. | | | |
| GENERAL RISKS | | | |
| Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no.17 of this Draft Prospectus. | | | |
| ISSUER'S ABSOLUTE RESPONSIBILITY | | | |
| The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. | | | |
| LISTING | | | |
| The Equity Shares offered through the Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE SME"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In Principal Approval Letter dated [●] from BSE Limited (BSE) for using its name in this offer document for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE"). | | | |
| LEAD MANAGER TO THE ISSUE | | REGISTRAR TO THE ISSUE | |
|  | INTERACTIVE FINANCIAL SERVICES LIMITED Address: Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad - 380 015 Gujarat, India Tel No.: 079 46019796 (M) +91-9898055647 Web Site: www.ifinservices.in Email: mbd@ifinservices.in Investor Grievance Email: info@ifinservices.in Contact Person: Pradip Sandhir SEBI Reg. No.:INM000012856 |  | BIGSHARE SERVICES PRIVATE LIMITED Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093 Tel No.: +91 22-62638200 Fax No.: +91 22-62638299 Website: www.bigshareonline.com E-Mail: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Contact Person: Asif Sayyed SEBI Reg. No.: INR000001385 |
| ISSUE PROGRAMME | | | |
| ISSUE OPENS ON: [●] | | ISSUE CLOSES ON: [●] | |



Draft Prospectus
Dated: October 19, 2023
Please read section 26 and 32 of
The Companies Act, 2013
Fixed Price Issue

Kizi Apparels Limited
CIN: U14109RJ2023PLC086522

Our Company was originally incorporated as “Kizi Apparels Private Limited” at Jaipur, Rajasthan as a private limited company registered under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated March 24, 2023 bearing Corporate Identification Number U14109RJ2023PTC086522 issued by the Registrar of Companies, Central Registration Centre. Subsequently our Company was converted into a public limited Company, pursuant to a special resolution passed by the shareholders of our Company at the EGM held on July 21, 2023 and consequently the name of our Company was changed to “Kizi Apparels Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Jaipur dated August 09, 2023. The Corporate Identification Number of our Company is U14109RJ2023PLC086522.

Registered office:H-629, Phase- II, Sitapura Industrial Area, Sanganer, Jaipur, 302022, Rajasthan, India.
Tel No.: +91 99830 23939; **Website:** www.kiziapparels.co.in; **E-Mail:** info@kiziapparels.com
Contact Person: Monica Jain, Company Secretary and Compliance Officer

PROMOTER OF THE COMPANY: ABHISHEK NATHANI

THE ISSUE

INITIAL PUBLIC ISSUE OF 26,58,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF KIZI APPARELS LIMITED (“KAL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹25/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹15/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹664.50 LACS (“THE ISSUE”), OF WHICH 1,38,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹ 25/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹15/- PER EQUITY SHARE AGGREGATING TO ₹ 34.50 LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 25,20,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹25/- PER EQUITY SHARE AGGREGATING TO ₹ 630.00 LACS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 33.99% AND 32.23% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE NO. 158 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 5.1 TIMES OF THE FACE VALUE

This issue is being made through Fixed Price Process in terms of Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”) and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI ICDR Regulations. In terms of the Regulation 19(2)(B)(I) of the Securities Contracts (Regulations) Rules, 1957, as amended (the “SCRR”), the issue is being made for at least 25% of the post-paid-up Share capital of our Company. All the bidders, shall participate in the issue through the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective bank account (including UPIID for RIIs using UPI Mechanism) wherein the bid amount will be blocked by the SCSBs or under the UPI mechanism, as the case may be, to the extent of respective Bid amounts. For details Please refer to chapter titled “Issue Procedure” beginning on Page 167 of this Draft Prospectus.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account and UPI ID in case of RII’s, if applicable, in which the application amount shall be blocked by the Self-Certified Syndicate Banks (“SCSBs”) or under UPI Mechanism as the case may be. For details in this regard, specific attention is invited to chapter titled “Issue Procedure” on page 167 of this Draft Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹10/- per Equity Shares and the Issue price is 2.5 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on “Basis for Issue Price” beginning on page no. 57 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

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

LEAD MANAGER



INTERACTIVE FINANCIAL SERVICES LIMITED
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REGISTRAR TO THE ISSUE



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ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Prospectus, but not defined herein shall have the meaning ascribed to such terms under SEBI ICDR Regulations, 2018 the Companies Act, 2013, the SCRA, the Depositories Act, 1996 and the rules and regulations made there under.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “Statement of Tax Benefits”, “Restated Financial Statements”, “Outstanding Litigation and Material Developments” and section titled “Main Provisions of Articles of Association” beginning on page nos. 61, 108, 141 and 195, respectively, shall have the meanings ascribed to such terms in the respective sections.

GENERAL TERMS

| Term | Description |
|--|---|
| “KAL”, “KIZI”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer” | Kizi Apparels Limited, a public limited company incorporated under the Companies Act, 2013 and having Registered Office at H- 629 Phase - II RIICO IND Area, Sitapura Industrial Area, Jaipur, Rajasthan-302022, India. |
| Promoter | Abhishek Nathani |
| Promoter Group | Companies, individuals and entities (other than companies) as defined under Regulation 2 sub-regulation (pp) of the SEBI ICDR Regulations, 2018. |
| “you”, “your” or “yours” | Prospective Investors in this Issue |

COMPANY RELATED TERMS

| Term | Description |
|--|--|
| Articles / Articles of Association/AOA | Articles of Association of our Company as amended from time to time |
| Auditors of the Company | The Statutory auditors of our Company, being M/s DGMS & Co., Chartered Accountants. |
| Audit Committee | Audit Committee of our Company constituted in accordance Section 177 of the Companies Act, 2013 and as described in the chapter titled “Our Management” beginning on page 95 of this Draft Prospectus. |
| Associate Companies | A body corporate in which our company has a significant influence and includes a joint venture company. |
| Board of Directors / Board | The Board of Directors of our Company or a committee constituted thereof |
| Company Secretary and Compliance Officer | The Company Secretary of our Company, being Monica Jain. |
| Chief Financial Officer/ CFO | The Chief Financial Officer of our Company, being Kiran Nathani. |
| Act or Companies Act | Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time. |
| CIN | Corporate Identification Number |
| CMD | Chairman and Managing Director |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Director(s) | Director(s) of Kizi Apparels Limited unless otherwise specified |
| Equity Shares | Equity Shares of our Company having Face Value of ₹ 10 each unless otherwise specified in the context thereof |
| Equity Shareholders / | Persons /entities holding Equity Shares of our Company |

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|---|---|
| Shareholders | |
| ED | Executive Director |
| Fresh Issue | The fresh issue of 26,58,000 Equity Shares at a price of Rs. 25 per equity share aggregating to Rs. 664.50 lakhs to be issued by our Company as part of the Offer, in terms of the Draft Prospectus. |
| Group Companies | Companies (other than our Corporate Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “Financial Information of Our Group Companies” on page 148 of this Draft Prospectus |
| Independent Director | Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled “Our Management” beginning on page 95 of this Draft Prospectus |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| ISIN | International Securities Identification Number is [●] |
| Key Managerial Personnel / Key Managerial Employees | The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page no. 95 of this Draft Prospectus |
| MD | Managing Director |
| Materiality Policy | The policy on identification of group companies, material creditors and material litigation, adopted by our Board on August 10, 2023 in accordance with the requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time |
| MOA/ Memorandum/ Memorandum of Association | Memorandum of Association of our Company as amended from time to time |
| Nomination & Remuneration Committee | The Nomination and Remuneration Committee of our Board described in the chapter titled “Our Management” on page 95 of this Draft Prospectus. |
| Registered Office | The Registered office of our Company, located at H-629, Phase- II, Sitapura Industrial Area, Sanganer, Jaipur, 302022, Rajasthan, India. |
| ROC/Registrar of Companies | Registrar of Companies, Jaipur. |
| Restated Financial Statements | The Restated Audited Financial Statements of our Company for the period ended on June 30, 2023 and for the year ended on March 31, 2023 which comprises of the restated audited balance sheet, restated audited statement of profit and loss and the restated audited cash flow statement, together with the annexures and notes thereto disclosed in chapter titled “Restated Financial Statements” on page 108 of this Draft Prospectus |
| Peer Review Auditor | Independent Auditor having a valid Peer Review certificate in our case being M/s DGMS & Co, Chartered Accountants |
| PLC | Public Limited Company |
| PTC | Private Limited Company |
| Stakeholder’s Relationship Committee | The Stakeholders Relationship Committee of the Board of Directors constituted as the Company’s Stakeholder’s Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “Our Management” on page 95 of this Draft Prospectus. |
| WTD | Whole Time Director |

ISSUE RELATED TERMS

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

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|--|--|
| | Company |
| Application Lot | 6000 Equity Shares and in multiples thereof |
| Application Amount | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Draft Prospectus / Prospectus |
| Application Supported by Blocked Amount / ASBA | An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB. |
| ASBA Account | An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form. |
| Allot / Allotment / Allotted/ Allotment of Equity Shares | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants. |
| Allottee(s) | The successful applicant to whom the Equity Shares are being / have been issued |
| Allotment Advice | Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange |
| Allotment Date | Date on which the Allotment is made |
| Basis of Allotment | The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section "Issue Procedure - Basis of allotment" on page no. 190 of this Draft Prospectus |
| Bankers to our Company | Axis Bank Limited |
| Banker to the Issue / Refund Banker / Public Issue Bank | Axis Bank Limited |
| Business Day | Any day on which commercial banks are open for the business. |
| CAN/Confirmation of Allocation Note | A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange |
| Client ID | Client Identification Number of the Applicant 's Beneficiary Account |
| Collection Centers | Broker Centers notified by Stock Exchange where bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers, are available on the website of the BSE Limited. |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no.GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Controlling Branches/Controlling Branches of the SCSBs | Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time |
| Demographic Details | The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable). |
| Depositories | National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| Depository Participant/DP | A depository participant registered with SEBI under the Depositories Act |

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| Designated CDP Locations | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e., www.bseindia.com . |
| Designated Date | The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, following which the Board may Allot Equity Shares to successful Bidders in the Issue |
| CAN /Confirmation of Allocation Note | A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange |
| Designated Intermediaries | The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue |
| Designated Market Maker | Beeline Broking Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations |
| Designated RTA Locations | Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . Recognized Intermediaries or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | SME Exchange of BSE Limited (“BSE SME”) (BSE) |
| Draft Prospectus | This Draft Prospectus dated October 19, 2023 filled with the SME Platform of BSE, prepared and issued by our Company in accordance with SEBI ICDR Regulations |
| Eligible NRI | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Prospectus /Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein. |
| Eligible QFIs | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Draft Prospectus /Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations |
| Electronic Transfer of Funds | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable |
| Escrow Account(s) | Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount |
| Escrow Agreement | An agreement to be entered among our Company, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s) and the Lead Manager for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof. |
| Escrow Collection Bank(s) | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [●]. |
| First Applicant | Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof |
| Foreign Portfolio Investor /FPIs | Foreign Portfolio Investor as defined under SEBI FPI Regulations |

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| General Information Document/ GID | The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, notified by SEBI, suitably modified and included in the chapter titled "Issue Procedure" on page 167 of this Draft Prospectus |
| Issue Agreement | The agreement dated October 18, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue |
| Issue Opening Date | The date on which the Issue opens for subscription |
| Issue Closing date | The date on which the Issue closes for subscription. |
| Issue Period | The periods between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective bidders can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of bidders. |
| IPO | Initial Public Offering |
| Issue / Issue Size / Public Issue | The Public Issue of 26,58,000 Equity Shares of Face Value of ₹ 10 each at Rs. 25 (including premium of Rs. 15) per Equity Share aggregating to Rs 664.50 Lacs by Kizi Apparels Limited. |
| Issue Price | The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 25 (Rupees Twenty Five Only). |
| Issue Proceeds | The proceeds from the Issue based on the total number of equity shares allotted under the issue |
| LM / Lead Manager | Lead Manager to the Issue, in this case being Interactive Financial Services Limited |
| Listing Agreement | The Listing Agreement to be signed between our Company and SME Platform of BSE Limited ("BSE SME") |
| Market Making Agreement | The Market Making Agreement dated October 18, 2023 between our Company, Lead Manager and Market Maker |
| Market Maker Reservation Portion | The reserved portion of 1,38,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at a price of Rs.25 (Rupees Twenty Five Only) per Equity Share including a share premium of Rs. 15 per Equity Share aggregating to Rs.34.50 Lakhs for the Market Maker in this Issue |
| MSME | Micro Small and Medium Enterprises |
| Mutual Fund(s) | Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time |
| NBFC | Non- Banking Financial Companies |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of 25,20,000 Equity Shares of ₹10 each at Rs. 25 per Equity Share aggregating to Rs. 630.00 Lacs by Kizi Apparels Limited. |
| Net Proceeds | The Issue Proceeds less the Issue related expenses. For further details, please refer to chapter titled "Objects of the Issue" on page 51 of this Draft Prospectus |
| Non-Institutional Bidders / Non-Institutional Investor / NIB/ NII | All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000. |
| NPCI | National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India and Indian Banks Association (IBA) |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require. |

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| Prospectus | The Prospectus dated [●] issued in accordance with Companies Act filed with the SME Platform of BSE Limited (“BSE SME”) under SEBI (ICDR)Regulations 2018. |
| Public Issue Account | An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors. |
| Qualified Institutional Buyers / QIBs | Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations |
| Refund Account | Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made. |
| Refund through electronic transfer of funds | Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable. |
| Registered Brokers | Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of BSE Limited having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012 |
| Registrar Agreement | The agreement dated October 18, 2023 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue. |
| Registrar and Share Transfer Agents or RTAs | Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Registrar/ Registrar to the Issue | Registrar to the Issue being Bigshare Services Private Limited |
| Regulations | Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time. |
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs 2,00,000. |
| Revision Form | The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidder can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date |
| SCSB | A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time. |
| SME Platform of BSE | The SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations. |
| Sponsor Bank | A Banker to the Offer which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company and the Selling Shareholder, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being Axis Bank Limited. |
| Syndicate Member | Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter. |
| TRS / Transaction Registration Slip | The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form |
| UPI | Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons’ bank accounts using a payment address which uniquely identifies a |

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| | person's bank a/c. |
| UPI Circulars | SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and any subsequent circulars or notifications issued by SEBI in this regard |
| UPI ID | ID Created on the UPI for single-window mobile payment system developed by NPCI. |
| UPI Mandate Request | A request (intimating the RIB (Retail Individual Bidder) by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment |
| UPI Mechanism | The bidding mechanism that may be used by a RII to make a Bid in the Issue in accordance with the UPI Circulars. |
| UPI PIN | Password to authenticate UPI transactions. |
| Underwriter | Underwriter to the issue is Interactive Financial Services Limited. |
| Underwriting Agreement | The Agreement entered into between the Underwriter and our Company dated October 18, 2023 |
| U.S Securities Act | U.S Securities Act of 1933, as amended |
| Wilful Defaulter | Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations. |
| Working Days | In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in the Prospectus are open for business. 1. However, in respect of announcement of price band and Bid/ Offer period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Prospectus are open for business. 2. In respect to the time period between the Bid/ Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI. |

TECHNICAL AND INDUSTRY RELATED TERMS

| Term | Description |
|-------|--|
| UK | United kingdom |
| GDP | Gross domestic product |
| HFI | High-frequency indicators |
| SITP | Scheme for integrated textile parks |
| MITRA | Mega integrated textile region and apparel |
| TUFS | Technology upgradation fund scheme |
| CII | Confederation of Indian industry |
| CAGR | Compounded annual growth rate |
| EU | European union |
| RMG | Readymade garments |
| PCB&W | Personal care, beauty & wellness |

| | |
|------|-----------------------------------|
| BPC | Beauty and personal care |
| GMV | Gross merchandise value |
| ONDC | Open network for digital commerce |

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

| Term | Description |
|---------------------------------|--|
| A/c | Account |
| Act or Companies Act | Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time |
| AGM | Annual General Meeting |
| AIF(s) | Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations |
| ASBA | Application Supported by Blocked Amount |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India. |
| AY | Assessment Year |
| Bn | Billion |
| BG | Bank Guarantee |
| BHIM | Bharat Interface for Money |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| CAN | Confirmation Allocation Note |
| CARO | Companies (Auditor's Report) Order, 2016, as amended |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CIN | Corporate Identity Number |
| CIT | Commissioner of Income Tax |
| CRR | Cash Reserve Ratio |
| Depositories | NSDL and CDSL |
| Depositories Act | The Depositories Act, 1996 as amended from time to time |
| Depository | A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018, as amended from time to time |
| DIN | Director's Identification Number |
| DP/Depository Participant | A Depository Participant as defined under the Depository Participant Act, 1996 |
| DP ID | Depository Participant's Identification Number |
| EBIDTA | Earnings Before Interest, Depreciation, Tax and Amortization |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| EPS | Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year |
| FDI | Foreign Direct Investment |
| Financial Year/ Fiscal Year/ FY | The period of twelve months ended March 31 of that particular year |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. |
| FII | Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India |
| FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended. |
| FIs | Financial Institutions |
| FIPB | Foreign Investment Promotion Board |
| FPI | Foreign Portfolio Investor |

| | |
|-------------------------------|--|
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time |
| GDP | Gross Domestic Product |
| GIR Number | General Index Registry Number |
| Gov/Government/GOI | Government of India |
| GST Act | The Central Goods and Services Tax Act, 2017 |
| GST | Goods and Services Tax |
| GSTIN | GST Identification Number |
| HUF | Hindu Undivided Family |
| HNI | High Net Worth Individual |
| ICAI | Institute of Chartered Accountants of India |
| ICSI | Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standard |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| INR/ Rs. / Rupees / ₹ | Indian Rupees, the legal currency of the Republic of India |
| IPO | Initial Public Offering |
| KMP | Key Managerial Personnel |
| Ltd. | Limited |
| LM | Lead Manager |
| MCA | Ministry of Corporate Affairs |
| Merchant Banker | Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended. |
| MOF | Minister of Finance, Government of India |
| MOU | Memorandum of Understanding |
| MSMEs | Micro, Small & Medium Enterprises |
| NA | Not Applicable |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NEFT | National Electronic Fund Transfer |
| NPCI | National Payments Corporation of India |
| NOC | No Objection Certificate |
| NR/ Non-Residents | Non-Resident |
| NRE Account | Non-Resident External Account |
| NRI | Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations |
| NRO Account | Non-Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| OCB / Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue. |
| p.a. | Per annum |
| P/E Ratio | Price/ Earnings Ratio |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| PIO | Person of Indian Origin |
| PLR | Prime Lending Rate |
| RBI | Reserve Bank of India |

| | |
|--|---|
| R & D | Research and Development |
| RBI Act | Reserve Bank of India Act, 1934, as amended from time to time |
| RONW | Return on Net Worth |
| ROCE | Return on Capital Employed |
| RTGS | Real Time Gross Settlement |
| SAT | Security Appellate Tribunal |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to Time |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992 |
| SEBI Act | Securities and Exchange Board of India Act 1992, as amended from time to time |
| SEBI Insider Trading Regulations | SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time. |
| SEBI ICDR Regulations /ICDR Regulations/SEBI ICDR / ICDR | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time |
| SEBI Rules and Regulations | SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time. |
| Sec. | Section |
| Securities Act | The U.S. Securities Act of 1933, as amended. |
| SENSEX | Stock Exchange Sensitive Index |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time |
| SME | Small And Medium Enterprises |
| SME Exchange | SME Platform of BSE Limited |
| Stamp Act | The Indian Stamp Act, 1899, as amended from time to time |
| State Government | The Government of a State of India |
| Stock Exchanges | Unless the context requires otherwise, refers to, the BSE Limited |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |
| TDS | Tax Deducted at Source |
| TIN | Tax payer Identification Number |
| Tn | Trillion |
| UIN | Unique Identification Number |
| U.S. GAAP | Generally accepted accounting principles in the United States of America. |
| VCFs | Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations. |
| YoY | Year on Year |

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

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

Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements for the period ended June 30, 2023 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in this Draft Prospectus, and set out in the section titled ‘Financial Information’ beginning on page no. 108 of this Draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In this Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled ‘Risk Factors’, ‘Business Overview’ and ‘Management's Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page nos. 17, 69 and 135 respectively of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

Industry and Market Data

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

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

Currency and units of presentation

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

- ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America, EURO or “€” are Euro currency,

All references to the word ‘Lakh’ or ‘Lac’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lacs and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

FORWARD LOOKING STATEMENTS

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

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

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

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

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 17, 69 and 135 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the LM, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SUMMARY OF ISSUE DOCUMENT

SUMMARY OF BUSINESS

Our Company is led by our Promoter & Managing Director, Mr. Abhishek Nathani, who is in the field of garment designing, manufacturing and trading for last 6 years. He has established a proprietorship concern in the name and style of M/s. Aaika Creations, in November, 2017. M/s. Aaika Creations was started with a vision to bring a wave in the manufacturing industry in terms of meeting the end-to-end requirement of our customers enhancing the overall quality parameters. In Aaika Creations, he started off with some small & medium sized brands which could give him some consistent business and also, he can place himself in the market with bigger brands. His first year was with full of struggle as he was in the process of getting the knowledge and intricacy of the business & its loop holes, however, he focuses on the business potentiality. In initial years of his business, he focused on building up a strong team and strengthening roots in the market, studying the scope and opportunities in the business.

For more details, please refer chapter titled “Business Overview” on page 69 of this Draft Prospectus.

SUMMARY OF INDUSTRY

The Indian Textile and Apparel Industry is valued at over US\$ 100 billion, employing over 45 million people and accounting for 14% of the country's industrial production. India is a global leader in producing several textile products, such as being the second biggest producer of silk, cotton and Multimode Fibre (MMF). It is also a world leader in jute production, accounting for nearly 70% of global production. Additionally, based on capacity, the country has the second largest vertically integrated production base after China. This leadership position gives the country significant advantages, such as manufacturing strength across the value chain and a huge raw material base. The value chain includes weaving, spinning, garmenting and processing.

The Confederation of Indian Industry (CII) expects the industry to achieve a production level of US\$ 250 billion by FY25, rising at a Compounded Annual Growth Rate (CAGR) of 12% between FY22 and FY25. In terms of exports, the CII expects industry exports to increase at a CAGR of 15% and reach US\$ 185 billion by FY25. This target would help India double its share of the global textile and apparel trade from the current level of 5%. Growth is expected to be driven by demographic dividend, an increasing tendency to spend more on lifestyle products, and the spread of e-retailing and organised retailing in smaller towns and rural areas, thus boosting domestic demand. The growth in the industry will maximise value creation and employment generation and boost investment of approximately US\$ 180 billion in the industry.

For more details, please refer chapter titled “Industry Overview” on page 64 of this Draft Prospectus.

PROMOTER

The Promoter of our Company is Abhishek Nathani.

For detailed information please refer chapter titled, “Our Promoter” and “Our Promoter Group” on page number 104 of this Draft Prospectus.

ISSUE SIZE

Initial public issue of 26,58,000 equity shares of face value of ₹10/- each of Kizi Apparels Limited (“KAL” or the “company” or the “issuer”) for cash at a price of ₹25/- per equity share including a share premium of ₹15/- per equity share (the “issue price”) aggregating to ₹664.50 lacs (“the issue”), of which 1,38,000 equity shares of face value of ₹10/- each for cash at a price of ₹ 25/- per equity share including a share premium of ₹15/- per equity share aggregating to ₹ 34.50 lacs will be reserved for subscription by market maker to the issue (the “market maker reservation portion”). the issue less the market maker reservation portion i.e., net issue of 25,20,000 equity shares of face value of ₹10/- each at a price of ₹25/- per equity share aggregating to ₹ 630.00 lacs is herein after referred to as the “net issue”. The issue and the net issue will constitute 33.99% and 32.23% respectively of the post issue paid up equity share capital of our company.

OBJECTS OF THE ISSUE

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

Net Proceeds

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

| Sr. No. | Particulars | Estimated Amount (₹ In lakhs) |
|----------------------------------|-------------------------------|-------------------------------|
| 1. | Gross proceeds from the issue | 664.50 |
| 2. | Less: Issue related expenses | 60.00 |
| Net proceeds of the issue | | 604.50 |

Requirement of funds and utilization of Net Proceeds

| Sr. No. | Particulars | Estimated Amount (₹ In lakhs) |
|--|---------------------------------------|-------------------------------|
| 1. | Repayment of unsecured Loans | 29.50 |
| 2. | Long term Working capital requirement | 425.00 |
| 3. | General corporate purposes | 150.00 |
| Total utilization of net proceeds | | 604.50 |

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

| Sr. No. | Name of share holder | Pre-issue | | Post Issue | |
|----------------------------|----------------------|---------------------|--------------------------|---------------------|--------------------------|
| | | No of equity shares | As a % of Issued Capital | No of equity shares | As a % of Issued Capital |
| (i) Promoter | | | | | |
| 1. | Abhishek Nathani | 5151300 | 99.81 | 5151300 | 65.88 |
| | TOTAL (A) | 5151300 | 99.81 | 5151300 | 65.88 |
| (ii) Promoter Group | | | | | |
| 2. | Kiran Nathani | 4000 | 0.08 | 4000 | 0.05 |
| | TOTAL (B) | 4000 | 0.08 | 4000 | 0.05 |
| (iii) Public | | | | | |
| 3. | Raj Kumar Nathani | 500 | 0.01 | 500 | 0.01 |
| 4. | Suchita Nathani | 500 | 0.01 | 500 | 0.01 |
| 5. | Mit Shah | 400 | 0.01 | 400 | 0.01 |
| 6. | Rahul Sharma | 500 | 0.01 | 500 | 0.01 |
| 7. | Ranjan Sharma | 4000 | 0.08 | 4000 | 0.05 |
| | IPO | - | | 2658000 | 33.99 |
| | TOTAL (C) | 5900 | 0.12 | 2663900 | 34.07 |
| | TOTAL (A+B+C) | 5161200 | 100.00 | 7819200 | 100.00 |

SUMMARY OF FINANCIAL INFORMATION

| Particulars | For the Period ended 30th June 2023 | For the Year ended on 31st March 2023 |
|---|-------------------------------------|---------------------------------------|
| Share Capital (₹ in Lakhs) | 516.12 | 1.00 |
| Net worth (₹ in Lakhs) | 536.75 | 1.00 |
| Revenue from Operation (₹ in Lakhs) | 470.21 | 0.00 |
| Other Income (₹ in Lakhs) | 0.00 | 0.00 |
| Profit after Tax (₹ in Lakhs) | 20.63 | 0.00 |
| Earnings per share (Basic & diluted) (₹) | 0.40 | 0.00 |
| Net Asset Value Per Share (Rs) (Pre-Bonus Issue) | 10.40 | 10.00 |
| Net Asset Value Per Share (Rs) (Post Bonus Issue) | 10.40 | 10.00 |
| Total borrowings (₹ in Lakhs) | 324.63 | 0.00 |

QUALIFICATIONS OF AUDITORS

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

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

| Particular | Nature of cases | No of outstanding cases | Amount involved |
|--|------------------------|--------------------------------|------------------------|
| Litigation against Company | - | - | - |
| Litigations Filed by Our Company | - | - | - |
| Litigation against the Director of the Company | Criminal Litigations | 2 | 2.44 |
| | Civil Proceedings | 2 | 18.32** |
| Litigation against the Director of the Company | Income Tax | 1 | 0.95 |
| Litigation by the Director of the Company | Criminal Litigations | 1 | 4.25 |
| Litigation filed by the promoter and directors of the Company* | - | - | - |

For further details, please refer chapter titled “Outstanding Litigations & Material Developments” beginning on page 141 of this Draft Prospectus.

RISK FACTORS

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

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

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

For detailed information of Contingent Liabilities of our Company, please refer chapter titled “Restated Financial Information” beginning on page 108 of this Draft Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

i) Names of related parties and description of relationship with the company

A) Key Managerial Personnel and their Relatives

1. Abhishek Nathani - Director
2. Kiran Nathani – Director

ii) Entity in which director is interested

Nil

For detailed information on the related party transaction executed by our Company, please refer chapter titled “Restated Financial Information” beginning on page 108 of this Draft Prospectus.

FINANCING ARRANGEMENTS

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

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

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

| Sr. No | Name of Promoter | No of Equity Shares acquired in the last one year from the date of this Draft Prospectus | Weighted Average Cost of Acquisition (in Rs) |
|--------|------------------|--|--|
| 1. | Abhishek Nathani | 5151300 | 9.97 |

AVERAGE COST OF ACQUISITION

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

| Sr. No. | Name of Promoter | No. of Equity Shares held | Average Cost of Acquisition in ₹ |
|---------|------------------|---------------------------|----------------------------------|
| 1. | Abhishek Nathani | 5151300 | 9.97 |

DETAILS OF PRE-ISSUE PLACEMENT

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

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

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

| Date of Allotment | No. of Total Equity Shares allotted | Face Value (Rs.) | Issue Price (Rs.) | Name of Allottees | No. of Shares Allotted | Nature of Allotment | Promoter / Promoter Group | Reason for Issue |
|-------------------|-------------------------------------|------------------|-------------------|-------------------|------------------------|------------------------|---------------------------|--|
| June 03, 2023 | 51,51,200 | 10 | 10 | Abhishek Nathani | 51,51,200 | Preferential Allotment | Promoter | consideration for taking over of Proprietorship Business |

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

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

SECTION II – RISK FACTORS

Investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below and the Financial Statements incorporated in this Draft Prospectus, before making an investment in the Equity Shares of our Company. Any potential investor in, and subscribers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 69 and 135, respectively of this Draft Prospectus, as well as the other financial and statistical information contained in this Draft Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.

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

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

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

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For further details, please refer to chapter titled “Forward-Looking Statements” beginning on page 12 of this Draft Prospectus.

Unless otherwise indicated, all financial information included herein are based on our Financial Statements. Please refer to the section titled “Restated Financial Statements” beginning on page 108 of this Draft Prospectus.

INTERNAL RISK FACTORS:

1. Our registered office and Factory premises are on lease basis.

Our Registered Office and factory premises is located at H- 629 Phase - II RIICO Industrial Area, Sitapura, Jaipur, Rajasthan – 302022. We are operating our manufacturing unit and carrying out administrative work from this premises i.e., Registered Office. Our Company has taken this premises on lease basis having approximately 700 Sq. Mtrs. area from Mr. Shubh Karan Dugar for a period of 5 years w.e.f. 01/05/2023 to 5 years i.e. 30/04/2028 at a monthly rent of Rs. 1,50,000/- p.m., with a condition that rent will be increased by 10% at an interval of 2 years and one year lock-in will be there. After one year period, either party can give one month notice for vacating the premises. There can be no assurance that the term of the lease agreements will be either continued or renewed for further period, and in such event the lessor/licensor terminates or does not renew the agreements, we may require to vacate the factory premises and registered Office and identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of production, business, time overruns and may adversely affect our operations and profitability and Brand image also.

2. We have very short operating history as company.

Our company was incorporated on March 24, 2023 as private limited Company and converted into public limited company on August 09, 2023. We have started our business operation in the last week of financial year 2022-23. Thus, our operating history as company is less than six months. Our short span of our operating history, makes it difficult to assess our future prospects and historic growth rates or results of operations and which may not be representative or reliable indicators of our future performance. While we intend to continue to expand our operations, we may not be able to sustain historic growth levels and may not be able to leverage our experience in our existing markets in order to grow our business in new markets. If our operations continue to grow, for which there can be no assurance, we will have to continue to expand our sales and marketing, product development and distribution functions, to upgrade our management information systems and other processes, and to obtain more space for our expanding manufacturing activities and administrative support. Our continued growth could increase the strain on our resources, and we could experience serious operating difficulties, including difficulties in hiring, training and managing an increasing number of employees. If we are unable to manage our operations at our current size or to manage any future growth effectively, our brand image and financial performance may suffer adversely.

3. ***The top ten Buyers of Our Product and top ten suppliers for raw material contribute majority of revenue and source of Raw Material. We do not have long term agreement with the customer or supplier. The loss of any Customer or a decrease in the volume of order by any customer or any disruption in supply of raw material by any supplier may adversely affect our revenues and profitability.***

The Revenue from top ten customers in the FY 2022-23, FY 2021-22 and FY 2020-21 was 95.13%, 81.86% and 87.96% of the total turnover. The loss of any customer or a decrease in the volume of orders may severely affect our revenues and profitability, if we are unable to develop and maintain a continuing relationship with our key customer or develop and maintain relationships with other new customers. The loss of a significant customer or a number of significant customers due to any reason whether internal or external related to their business may have a material adverse effect on our business and results of operations. Any decline in our Quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. The top ten customers are not related to the promoters or promoter group.

The purchase from top ten suppliers in the FY 2022-23, FY 2021-2022 and FY 2020-21 was 78.28%, 61.39% and 91.40% of the total purchase of material. The loss of any supplier due to any reason or disruption of the supply by the supplier, if we are not able to agree with the terms and conditions for the supply of material or we are not able to find the alternative supplier of raw material with same terms and conditions at which we are buying the material, may severely affect our revenue and profitably. The top ten suppliers are not related to the promoters or promoter group.

4. ***There are outstanding litigations by and against our Company which if determined against us, could adversely impact financial conditions.***

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

| (₹ in lacs) | | | |
|--|----------------------|-------------------------|-----------------|
| Particular | Nature of cases | No of outstanding cases | Amount involved |
| Litigation against Company | - | - | - |
| Litigations Filed by Our Company | - | - | - |
| Litigation against the Director of the Company | Criminal Litigations | 2 | 2.44 |
| | Civil Proceedings | 2 | 18.32** |
| Litigation against the Director of the Company | Income Tax | 1 | 0.95 |
| Litigation by the Director of the Company | Criminal Litigations | 1 | 4.25 |
| Litigation filed by the promoter and directors of the Company* | - | - | - |

*Other than stated in the Litigation against Directors there are no other outstanding litigations with any of our Promoter.

** interest at the rate of 24% p.a. is not included

For further details regarding outstanding litigations by and against companies please refer the chapter "Outstanding Litigations and Material Development" on page no 141 of this Draft Prospectus.

5. *Our Company has acquired the ongoing business of M/s. Aaika Creations, a Proprietorship Concern through Business Transfer agreement.*

Our company has acquired a business of proprietorship concerned M/s. Aaika Creations; a Proprietorship Concern on a slump sale basis vide Business Transfer Agreement dated June 01, 2023 from Mr. Abhishek Nathani along with business of manufacturing and trading of Garments, all its assets and liabilities as going concern as the company wants to expand its business on a larger scale. Our company has to assume and also has to take over all the liabilities. Even all the permissions, Licenses, registration etc are to be transferred to the name of our company. If, any of our assumptions, calculations is/are erroneous, it will have adverse effect on our business operations, liquidity and profitability.

6. *We have to update the name of our company in some of the statutory approvals/ Certificates and business agreements due to acquisition of proprietorship in the Company as well as the Change in the name upon conversion of our Company in to Public Limited Company.*

Some of our statutory approvals and certificates are in the name of Kizi Apparels Private Limited. Since our Company has been converted from Private limited to Public Limited and the name of our company has also been changed to “Kizi Apparels Limited” pursuant to a special resolution passed by our shareholders at the EGM held on July 21, 2023. We have to update the name Kizi Apparels Limited on the statutory approvals and certificates. We cannot ensure that we will be able to update the said documents in a timely manner.

Further, we have acquired the M/s Aaika Creations, sole proprietorship Concern of our Promoter, pursuant to Business Purchase Agreement Executed dated June 01, 2023. Some of our business agreements are still in the name of the proprietorship. We have to update the name Kizi Apparels Limited on the all the business agreements. We cannot ensure that we will be able to update the said documents in a timely manner.

For more information about the licenses required in our business, please refer section "Government and Other Statutory Approvals" beginning on page no. 146 of this Draft Prospectus.

7. *If we may unable to maintain and enhance our brand, the sales of our products may suffer which would have a material adverse effect on our business operations.*

The brand name of the business acquired by our company, “ANUTARRA” in the women ethnic wear segment and “KIZI” brand name in women western wear has significantly contributed to the success of the business of our seller Aaika Creations. For the growth of our business and maintaining and enhancing our brand, we may require to make substantial investments in areas such as creations, design development, research and development, outlet operations, marketing and employee training etc. Our company will be first time undertaking such expansion programme, we may not be successful and our entire investment may fail to create the desired results and impact on our business. Our success will depend largely on our ability to maintain, anticipate, gauge and respond in a timely manner to changing fashion trends and consumer demands and preferences, and to continue to provide high quality products and services. This will attract our prospective consumers and develop faith for our brand. Further, our business is also dependent on the trust that our customers have in our brand and products. If our Company is unable to maintain the quality of its products, it could lead to a negative publicity of our brand name and image in the market. Such negative publicity of our brand name could adversely affect our profitability and business operations.

8. *If our Company is unable to continue being creative in our designs or if we are unable to keep up to the changing fashion trends, our sales could be affected.*

Our results of operations depend upon the continued demand by consumers for our products. We operate in an industry that is highly competitive and where customers’ purchases are highly subjective and sensitive to trends and fashion tastes. Creativity and keeping line and length with the latest fashion trends is one of the key attributes for success in this industry. For our Company to remain competitive in respect of appealing designs, our designers have to keep themselves updated with the latest global trends, and fashion demands and more importantly understand the requirements of the customers. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products on a timely basis, we may lose customers to our competitors, or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. A part of our production is for those products where we may not have an order in hand and the quantities are produced based on feedback received from merchandisers and management estimates. If we are not able to anticipate the demand, or misjudge the

quantity, inter alia, this could lead to lower sales, higher inventories and higher discounts, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

- 9. *We are dependent on third party transportation service providers for delivery of raw materials from suppliers to us and delivery of readymade garments to our customers and business associates. Any failure on part of such transport service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

The Manufacturing of Garments is our main activities, we purchase the raw materials from the market and prepare the readymade garments in our factory and sale the same in the market, our success depends on the smooth supply and transportation of raw materials, readymade Garments etc. from our suppliers to us and supply of Garments to our buyers/clients, both of which are subject to various uncertainties and risks. In addition to this, the garments may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of such materials which may also affect our business and our results of operation negatively. We have not entered in to any agreement with any of the transport service providers. Any failure to maintain a continuous supply of raw materials to us and manufactured materials to our clients in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations and reputation.

- 10. *We are subject to risks associated with rejection of our products consequential to defects, which could generate adverse publicity or adversely affect our business, results of operations or financial condition.***

We are in the business of readymade garments, any defects in our products could lead to rejection of materials/ products supplied and consequentially either we have to replace the same or refund the money to the customers. In the event our Company fails to replace the defective products in a timely manner or at all, the same could consequently lead to a negative publicity of our brand thereby affecting our brand value, our business, results of operations or financial condition. Such defective products, either it is to be refinished by spending additional expenditure or are sold at a discounted price. Though, we are taking utmost care to maintain and supply defects free products, we cannot assure you that no such claims will come in future or that such claims will be settled in our favour. Any such successful claims against us could adversely affect our results of operations. Management focus could also be diverted away from our business towards defending such claims

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

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspend and/or cancel the approval/licenses which may affect our business adversely. For more information about the licenses required in our business, please refer section "Government and other statutory approvals" beginning on page no. 146 of this Draft Prospectus.

- 12. *Our Company has unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our Company.***

As on June 30, 2023, our Company has availed of unsecured term loans aggregating to Rs. 125.50 Lacs which are repayable according to the repayment schedule. In case of any lapse or default in payment of instalment, lender may ask us to pay the entire loan amount or take legal action against or company. Any such demand from the lenders for repayment of such unsecured loans may adversely affect the financial condition and result of operations of our Company reputation also.

- 13. *Our future success depends significantly on the continued service of our promoters, management team and other key personnel.***

We depend on our experienced promoter Mr. Abhishek Nathani and his wife and director of the Company, Mrs. Kiran Nathani, for our success and future growth loss of one or more key executives could have a negative impact on our business and growth. The industry experience, expertise and contributions of our promoters, management team, key personnel and our Promoters are essential for our continuing success. We may not be unable to replace key members of our management team and key employees in the event we lose their services as there is intense competition for qualified personnel in our business. Loss of any senior management team members may have adverse effect on our sales, business operations and profitability.

14. *Our Company depends on timely identification of evolving fashion trends and creating new designs. Any delay on the part of our Company in this regard may adversely affect our business operations.*

Our business is driven by recent clothing fashion trends which is dynamic and ever changing and we may not be able to adapt to such changes and maintain our growth in face of the competitive environment that we currently operate in. We maintain a team of experienced person who design and develop the products as per customer's needs and ascertaining the future market trend of our products. This team works on the development of designs by analyzing the needs of clients by parameters like latest combinations, new techniques & patterns and most importantly the feedback gained from the sales of the similar products that were designed earlier. Our inability to tap the changing fashion can lead to rejection and obsolancy of our garments, which result in to damaging goodwill, business operations and financial conditions. Although our Promoters and the key managerial personnel have considerable knowledge of the industry, we cannot assure if they can manage to keep up with the pace of constant changes and diversification. Further, since we operate in a highly competitive environment, it cannot be assured that we will be able to keep pace with our competitors in terms of investments in expansion, acquisitions for inorganic growth, etc. If we cannot keep pace with our competitors or continuously generate new products, our business and financial conditions may be adversely affected.

15. *Our revenues and profits are dependent on several factors. Any adverse change in these factors or in combination of these factors may affect our business operations and the financial condition and consequently, our ability to pay dividends.*

Our revenues and profits are dependent on several factors such as retaining our key managerial personnel, our complying with laws, recurring orders from our clients, managing costs and expenses, maintaining adequate inventory levels and general market conditions. Any adverse change in these factors or a combination of these factors may adversely affect our business operations and the financial condition. Further, our ability to pay dividends will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. Therefore, although, we have consistently maintained the profit levels and reserves, there can be no assurance that we shall have distributable funds or that we will declare dividends.

16. *There have been instances of delay in filing of Goods and Service Tax (GST) returns and return of Tax Deducted at Source (TDS) dues.*

There have been instances of delay in filing of GST returns in the past which were due to initial technological issue with GST portal, limited time frame for staff to align with the amendments in the initial years and multiple clarifications issued by the GST authorities. A wrong filing of GST return can lead to huge penalties and interest. Therefore, reconciliation and checking of returns before submitting them is necessary as there is no opportunity to make any changes afterward. Hence, there were delays in filing of GST returns in order to include correct inputs from all stakeholders involved and make them error free. There were also some delays in payment of Tax Deducted at Source (TDS) primarily due to technical glitches on the portal. There can be no assurance that such delays may not arise in future. There is a possibility of financial penalties being imposed on us by the relevant Government authorities, which may have a material adverse impact on our cash flows and financial condition.

17. *We have been recently converted into public limited company and any non-compliance with the provisions of Companies Act, 2013 may attract penalties against our Company which could impact our financial and operational performance and reputation.*

Our Company was been incorporated as a private limited company pursuant to the provisions of Companies Act, 2013 and converted into a public limited company pursuant to special resolution passed at the Extra Ordinary General Meeting. Prior to conversion, the provisions pertaining to public limited companies of the

Companies Act, 1956/2013 were not applicable to us. However, consequent to the aforesaid conversion, our Company is required to observe compliance with various provisions pertaining to public limited companies of the Companies Act 1956/2013. Further, our Company needs to additionally comply with provisions of SEBI ICDR Regulations and SEBI (LODR) Regulations. Though our Company will take due care to comply with the provisions of the Companies Act and other applicable laws and regulations. In case of our inability to timely comply with the requirements or in case of any delay, we may be subject to penal action from the concerned authorities which may have an adverse effect on our financial and operational performance and reputation.

18. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and logistics agencies.

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information are likely to take place in our business. Such misconduct could result in unexpected business risks, losses, invite regulatory sanctions and seriously harm to our reputation and could even lead to litigation. We are taking necessary precautions to prevent and detect these types of activities but it may not always be cent percent effective. Even any fraud or misconduct by logistics agency or its employees may also affect our business, reputation adversely. Any delinquencies or trading errors on the part of our employees or logistic agency could materially affect our business operations, financial position and/or reputation.

19. We may not be able to sustain effective implementation of our business and growth strategies.

The success of our business will depend greatly on our ability to implement our business and growth strategies effectively. We may not be able to execute our strategies successfully in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to implement business and growth strategy successfully will have adverse effect on our business operations, revenue and profitability.

20. We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures may adversely affect our business, financial condition and results of operations.

We operate in a highly competitive business environment. Growing competition in the domestic market from domestic players and/or the international players, we are subject to pricing pressures and require us to reduce the prices of our products in order to retain and/or attract new customers, which may have a material adverse effect on our revenues and margins. Some of our competitors may be increasing their capacities and targeting the same products in which we are dealing at a lower price. There can be no assurance that we can continue to compete effectively with our competitors in the future, any failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

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

Our Company is engaged in manufacturing and trading of readymade garments through our own Showrooms, distributors and malls and online platform. As on March 31, 2023 the Company's net working capital consisted of Rs. 670.63 Lakhs as against the Rs. 369.03 lakhs as on March 31, 2022. The Net working capital requirement for current financial year F.Y. 2023-24 is estimated to be Rs.1084.68 Lakhs. As on the date of this Draft Prospectus we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, unsecured loans, working capital loans from the Banks etc.

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

(₹ In Lacs)

| Particulars | 31.03.2021 | 31.03.2022 | 31.03.2023 | 31.03.2024 |
|-------------------------------|------------|------------|------------|------------|
| Inventories | 153.05 | 268.29 | 480.15 | 622.02 |
| Trade Receivables | 82.28 | 78.58 | 534.47 | 690.41 |
| Cash and Bank Balances | 61.08 | 78.03 | 57.11 | 75.33 |
| Short term loans and Advances | 71.2 | 65.25 | 19.25 | 25.00 |

| | | | | |
|---|---------------|---------------|----------------|----------------|
| Other current Assets | 8.48 | 14.17 | - | - |
| Other Non Current Assets | - | - | - | - |
| Total | 376.09 | 504.32 | 1090.98 | 1412.76 |
| Less: | | | | |
| Trade Payables | 81.41 | 131.53 | 396.43 | 318.08 |
| other Current Liabilities | 1.11 | 3.76 | 5.36 | 10.00 |
| Shorrt Term Provisions | - | - | 18.56 | - |
| Total Liabilities | 82.52 | 135.29 | 420.35 | 328.08 |
| Net Working Capital | 293.57 | 369.03 | 670.63 | 1084.68 |
| Less: Bank Borrowings | 131.45 | 133.65 | 182.3 | 200 |
| Balance | 162.12 | 235.38 | 488.33 | 884.68 |
| Financed through Capital Internal Cash Accruals | 162.12 | 127.07 | 359.68 | 359.68 |
| Long term (unsecured Frm NBFC) | 0 | 108.31 | 128.65 | 100.00 |

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

22. The average cost of acquisition of equity shares held by our Promoters is lower than the Issue Price.

Our Promoters' average cost of acquisition of Equity Shares in our Company is Rs. 9.97, lower than the Issue Price which is proposed to be determined on a fixed price basis. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled "Capital Structure" on page 43 of this Draft Prospectus.

23. The promoter has been allotted shares at price lower than the issue price of the shares during last Six months of the issue.

Our promoter Mr. Abhishek Nathani has been issued/allotted 51,51,200 shares at price of Rs.10 in consideration for the purchase of business of m/s. Aaika Creations; a Proprietorship Concern on a slump sale basis vide Business Transfer Agreement dated June 01, 2023 from Mr. Abhishek Nathani along with business of manufacturing and trading of Garments, all its assets and liabilities as going concern as the company wants to expand its business on a larger scale.

24. We have not executed any agreement with any of our labours who are on Job work basis.

We have some of our labours on the Job Work basis in our organisation. We have neither any written agreement nor any commitment with any of our job work labours. In absence of any type of the commitment with the job workers, we are not sure that they will continue to work with us as job workers and the commercial terms will be favorable to the Company. If we are not able to get the job workers, efficiency in working of job workers, upward revision in the rate will disturb our production and increase in the manufacturing cost which will affect adversely our financial performance and profitability. we are getting easily job workers from the local market only, hence, we believe that we are not required to entered in to any such type of contract with the job workers.

25. Our business is manpower intensive and any unavailability of our employees or shortage of labour or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing hiring of labour may have an adverse impact on our cash flows and results of operations.


Our business is labour intensive and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of labourers at our factories. Unavailability or shortage of such a pool of workmen or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing hiring of labour may have an adverse impact on our cash flows and results of operations.


We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage, working conditions, employee insurance, and other such employee benefits and any changes in the existing labour legislations, including upward revision of wages required by such state governments to be paid to

such labourers, limitations on the number of hours of work or provision of improved facilities, such as food or safety equipment, may adversely affect our business and results of our operations.

Further, there can be no assurance that disruptions in our business will not be experienced in future, if there are strikes, work stoppages, disputes or other problems with labourers at our manufacturing units, this may adversely affect our business and cash flows and results of operations.

For Further details, please refer to chapter titled “Business Overview” beginning on Page 69 of this Draft Prospectus.

26. The brand name  has been registered under the name of our Company name. Any failure to protect our intellectual property could have a material adverse effect on our business.

As on date of the Draft Prospectus, the brand name  “ ” has been registered under Class 24 of the Trade Mark Act, 1999 which is valid for 10 years w.e.f. August 08, 2019. We are carrying out our business using our above referred logo and our customers are well versed with our logo with our Company and its operations. Our ability to compete effectively depends upon our ability to protect our rights in trademarks and other intellectual property that we have been registered. We seek to protect our logos, brand names by relying on trademarks and domain name registrations. However, our efforts to protect our intellectual property may not be adequate. The use of our name and logo is our own identity and recognition to our competitiveness and success for us to attract and retain our customers and business associates. Further, we cannot assure you that the measures we have taken will be sufficient to prevent any misuse or infringement of our intellectual property. In case of any misuse or infringement of our intellectual property rights by our competitors will have adverse effect on reputation, business operation and profitability.

27. *Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our operations are subject to inherent risks which may adversely impact our profitability, such as fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. Presently, we have availed a Universal Sampo - Bharat Laghu Udyam Suraksha for our office and factory premises, which insures inter alia building including plinth and foundation, contents and stocks from risks such as earthquake, etc. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. On the occurrence of any of the abovementioned events, we shall not be able to rely on any insurance cover which could adversely affect our results of operations and financial position. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

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

Our Promoter and Directors and key Managerial Personnel may be deemed to be interested to the extent of the Equity Shares held by them and benefits deriving from their shareholding in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled “Business Overview” and “Our Promoters and Promoter Group”, beginning on page 69 and 104 respectively and the chapter titled “Annexure 29 - Related Party Transactions” on page 129 under chapter titled “Restated Financial Statements” beginning on page 108 of this Draft Prospectus.

29. *Our loan agreements have several restrictive covenants and certain unconditional rights in favour of the lender, which could influence our ability to expand, in turn affecting our business and results of operations.*

As on June 30, 2023, we have availed secured term loan of Rs 199.13 lacs. The said loan has been secured by way of “Hypothecation of Stocks and book debts”. As per the term of the loan the Company has to maintain margin (1) 40% (Book Debts / Debtors) and (2) 25% (Stock). In case we are not able to pay our dues in time, the same could adversely impact our operations, financial results and reputation as well as our loan agreements have several restrictive covenants and certain unconditional rights in favour of the lender, which could influence our ability to expand, in turn affecting our business and results of operations adversely.

For details, please refer “Financial Indebtedness” on page no. 138 of this Draft Prospectus.

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

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

(₹ In Lacs)

| Particulars | May 31, 2023 | March 31, 2023 |
|--|--------------|----------------|
| Net Cash Generated from Operating Activities | (647.53) | (1.00) |

For details, please refer “Management’s Discussion and Analysis of Financial Conditions and Results of Operations of our Company” on page no. 135 of this Draft Prospectus.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

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

We have entered into certain transactions with related parties with our Promoter, Promoter Group, Directors and may continue to do so in future. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could have obtained better and more favorable terms than from transaction with related parties. Additionally, our company belief that all our related party transactions have been conducted on an arm’s length basis, but we cannot provide assurance that we could have achieved more favorable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to “Annexure 29” Related Party Transactions” on page 129 of Restated Financial Information.

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

In terms of Regulation 41 of SEBI (ICDR) (Amendment) Regulations, 2022, as amended, appointment of monitoring agency is required only for Issue size above Rs. 100 cr. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of Listing Agreement. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE.

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

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue which may delay in the implementation schedule and could adversely affect our growth plans. For further details of object of Issue and schedule of implementation please refer to the chapter titled “Objects of the Issue” on page 51 of this Draft Prospectus.

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

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

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

Post this Issue, our Promoter and Promoter Group will collectively own 65.88 % of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

36. *Delay in raising funds from the IPO could adversely impact the implementation schedule.*

The proposed fund requirement, for funding our working capital requirements and repayment of unsecured loan, primarily, as detailed in the chapter titled “Objects of the Issue” beginning on page 51 is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We, therefore, cannot assure that we would be able to execute our future plans/strategy within the estimated time frame.

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

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

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

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or another independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be change subject to the approval of shareholders by passing special resolution pursuant to section 27 of Companies Act, 2013 through postal ballot or subject to an authority given by the Company in general meeting by way of special resolution and based on various factors which are beyond our control. For

further details, please see the section titled “Objects of the Issue” beginning on page 51 of this Draft Prospectus.

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

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire post-Issue paid-up share capital, held by our Promoters or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the section titled “Capital Structure” beginning on page 43 of the Draft Prospectus. Any future issuance or sale of the equity shares of our Company by our Promoter or by other significant shareholder(s) or any perception or belief that such sales of Equity Shares might occur may significantly affect the trading price of our Equity Shares.

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

The issue price of our Equity shares is decided on the basis of both qualitative and quantitative factors. The Company had made good progress in establishing its name in the readymade garment segment. All such points have been considered in deciding the issue price of the Equity Shares. Please refer chapter titled “Basis for Issue Price” beginning on the page no 57 of the Draft prospectus. The market price of our equity shares could be subject to change after the issue and may decline the below the issue price

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

We have not declared dividends on our Equity Shares since our incorporation. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder’s investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, please refer the section titled ‘*Dividend Policy*’ beginning on page 107 of this Draft Prospectus.

42. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

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

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be

submitted. There could be a failure or delay in listing the Equity Shares on the BSE SME. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

- 44. *The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

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

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

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

EXTERNAL RISK FACTORS

- 1. *Political, economic or other factors that are beyond our control may have an adverse effect on the Industry and on our business and results of operations.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance of the industry. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

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

Our Company is subject to various regulations and policies. For details see section titled '*Key Industry Regulations and Policies*' beginning on page 84 of this Draft Prospectus. We are also subject to corporate, taxation and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations and financial condition.

- 3. *Malpractices by some players in the industry affect overall performance of emerging Companies.***

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated

by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like us as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

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

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

5. *Significant portion of our revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.*

We derive significant portion of our revenue from operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

6. *We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.*

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows

7. *You will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.*

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

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

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

9. *Investors 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 in an Indian company are generally taxable in India.

A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT

is paid, the quantum of gains and any available treaty exemptions. 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 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 will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the sellers 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 a gain upon the sale of the Equity Shares.

The Government of India has recently announced the union budget for Fiscal 2022, pursuant to which the Finance Act may undergo various amendments. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could impact our business, our future financial performance and the prices of the Equity Shares.

THE ISSUE

The following table summarizes the Issue details:

| Particulars | Details of Equity Shares |
|---|--|
| Issue of Equity Shares by our Company | 26,58,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ 25 per Equity Share aggregating to ₹ 664.50 Lakhs |
| Of Which | |
| Market Maker Reservation Portion | 1,38,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹25 per Equity Share aggregating to ₹ 34.50 Lakhs |
| Net Issue to the Public* | 25,20,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 25 per Equity Share aggregating to ₹ 630.00 Lakhs |
| Of Which | |
| (A) Retail Portion | 12,60,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 25 per Equity Share aggregating to ₹ 315.00 Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors |
| (B) Non – Institutional Portion | 12,60,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 25 per Equity Share aggregating to ₹ 315.00 Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors. |
| Pre-and Post-Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | 51,61,200 Equity Shares of face value of ₹10.00/- each |
| Equity Shares outstanding after the Issue | 78,19,200 Equity Shares of face value of ₹ 10.00/- each |
| Use of Issue Proceeds | For details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 51 of this Draft Prospectus. |

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 12, 2023 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on October 06, 2023 pursuant to section 62(1)(c) of the Companies Act. This Issue is being made in terms of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended. For further details, please refer to section titled “Issue Structure” beginning on page 165 of this Draft Prospectus.

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

- a) Minimum fifty percent to retail individual investor; and
- b) remaining to:
 - (i) individual applicants other than retail individual investors; and
 - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

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

SUMMARY OF OUR FINANCIAL INFORMATION

Annexure 1: RESTATED STATEMENT OF ASSETS & LIABILITIES

(Rs. In Lakhs)

| Particulars | | Annexure No. | As at 30th June 2023 | As at 31st March 2023 |
|-------------|--|--------------|----------------------|-----------------------|
| I. | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 5 | 516.12 | 1.00 |
| | (b) Reserves and surplus | 6 | 20.63 | - |
| 2 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 7 | 67.01 | - |
| | (b) Deferred tax liabilities (Net) | 27 | 0.04 | - |
| | (c) Long-term Provisions | | - | - |
| 3 | Current liabilities | | | |
| | (a) Short-term borrowings | 8 | 257.62 | - |
| | (b) Trade payables | 9 | | |
| | Total outstanding dues of micro enterprises and small enterprises | | - | - |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | | 428.51 | - |
| | (c) Other current liabilities | 10 | 5.91 | - |
| | (d) Short-term provisions | 11 | 25.40 | - |
| | TOTAL | | 1,321.23 | 1.00 |
| II. | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property Plant and Equipments | | | |
| | (i) Tangible assets | 12 | 38.84 | - |
| | (ii) Intangible Assets | 12 | 108.94 | - |
| | (iii) Capital Work in Progress | | - | - |
| | Total | | 147.78 | - |
| | (b) Non Current Investments | | - | - |
| | (c) Long-term loans and advances | 13 | 3.52 | - |
| | (d) Other Non Current Assets | | - | - |
| | (e) Deferred Tax Assets | | - | - |
| 2 | Current assets | | | |
| | (a) Inventories | 14 | 483.91 | - |
| | (b) Trade receivables | 15 | 650.92 | - |
| | (c) Cash and cash equivalents | 16 | 17.54 | - |
| | (d) Short-term loans and advances | 17 | 17.56 | - |
| | (e) Other Current Assets | 18 | - | 1.00 |
| | TOTAL | | 1,321.23 | 1.00 |

Annexure: 2 RESTATED STATEMENT OF PROFIT & LOSS

(₹ in Lakhs)

| Particulars | | Annexure No. | For the year ended 30th June 2023 | For the year ended 31st March 2023 |
|-------------|---|--------------|-----------------------------------|------------------------------------|
| I. | Revenue from operations | 20 | 470.21 | - |
| II. | Other income | | - | - |
| III. | Total Income (I + II) | | 470.21 | - |
| IV. | Expenses: | | | |
| | Cost of Material Consumed | 21 | 244.59 | - |
| | Changes in inventories of Finished Goods and Work in Progress | 22 | 128.50 | - |
| | Employee benefits expense | 23 | 17.37 | - |
| | Finance costs | 24 | 13.09 | - |
| | Depreciation and amortization expense | 25 | 4.46 | - |
| | Other expenses | 26 | 35.70 | - |
| | Total expenses | | 443.71 | - |
| V. | Profit before tax (III-IV) | | 26.50 | - |
| VI | Tax expense: | | | |
| | (1) Current tax | | 5.84 | - |
| | (2) Deferred tax | | 0.04 | - |
| | (3)MAT Credit Entitlement | | - | - |
| VII | Profit (Loss) for the period (V-VI) | | 20.63 | - |
| VIII | Earnings per equity share: | | | |
| | (1) Basic (Adjusted) | | 0.40 | - |
| | (2) Diluted (Adjusted) | | 0.40 | - |

Annexure : 3 RESTATED STATEMENT OF CASHFLOW

(₹ in Lakhs)

| Particulars | For the year ended 30th June 2023 | | For the year ended 31st March 2023 | |
|---|--------------------------------------|-----------------|---------------------------------------|---------------|
| Cash flow from Operating Activities | | | | |
| Net Profit Before tax as per Statement of Profit & Loss | | 26.50 | | - |
| Adjustments for : | | | | |
| Depreciation & Amortisation Exp. | 4.46 | | - | |
| Finance Cost | 13.09 | 17.55 | - | - |
| Operating Profit before working capital changes | | 44.05 | | - |
| Changes in Working Capital | | | | |
| Dec/(Inc) Trade receivable | (650.92) | | - | |
| Dec/(Inc) Other Loans and advances receivable | (17.56) | | - | |
| Dec/(Inc) Other Current Assets | 1.00 | | (1.00) | |
| Inc/(Dec)Trade Payables | 428.51 | | - | |
| Inc/(Dec) Other Current Liabilities | 5.91 | | - | |
| Inc/(Dec) Inventories | (483.92) | | - | |
| Inc/(Dec) Short term Provisions | 25.40 | | - | |
| | | (691.58) | | (1.00) |
| Net Cash Flow from Operation | | (647.53) | | (1.00) |
| Less : Income Tax paid | | 5.84 | | - |
| Net Cash Flow from Operating Activities (A) | | (653.37) | | (1.00) |
| Cash flow from investing Activities | | | | |
| Purchase of Fixed Assets/Goodwill from takeover | (152.23) | | - | |
| Movement in Loans & Advances | (3.52) | | - | |
| | | (155.75) | | - |
| Net Cash Flow from Investing Activities (B) | | (155.75) | | - |
| Cash Flow From Financing Activities | | | | |
| Proceeds From long Term Borrowing (Net) | 67.01 | | - | |
| Short Term Borrowing (Net) | 257.62 | | - | |
| Interest Paid | (13.09) | | - | |
| Issue of Shares | 515.12 | 826.66 | 1.00 | 1.00 |
| Net Cash Flow from Financing Activities (C) | | 826.66 | | 1.00 |
| Net (Decrease)/ Increase in Cash & Cash Equivalents(A+B+C) | | 17.54 | | - |
| Opening Cash & Cash Equivalents | | - | | - |
| Cash and cash equivalents at the end of the period | | 17.54 | | - |
| Cash And Cash Equivalents Comprise : | | | | |
| Cash | | 16.06 | | - |
| Bank Balance : | | | | |
| Current Account | | 1.48 | | - |
| Deposit Account | | - | | - |
| Total | | 17.54 | | - |

GENERAL INFORMATION

Our Company was originally incorporated as “Kizi Apparels Private Limited” at Jaipur, Rajasthan as a private limited company registered under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated March 24, 2023 bearing Corporate Identification Number U14109RJ2023PTC086522 issued by the Registrar of Companies, Central Registration Centre. Subsequently our Company was converted into a public limited Company, pursuant to a special resolution passed by the shareholders of our Company at the EGM held on July 21, 2023 and consequently the name of our Company was changed to “Kizi Apparels Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Jaipur dated August 09, 2023. For further details, please refer the chapter titled “History and Certain Corporate Matters” beginning on page 92 of this Draft Prospectus.

The Corporate Identification Number of our Company is U14109RJ2023PLC086522.

Registered & Corporate Office of our Company

KIZI APPARELS LIMITED

Registered Office: H-629, Phase- II, Sitapura Industrial Area, Sanganer, Jaipur, 302022, Rajasthan, India.

Tel No: +91 99830 23939

Website: www.kiziapparels.co.in

E-mail: info@kiziapparels.com

ADDRESS OF REGISTRAR OF COMPANIES

Registrar of Companies

Our Company is registered with the Registrar of Companies, Jaipur located at:
Registrar of Companies, Corporate Bhawan, G/6-7, Second Floor,
Residency Area, Civil Lines, Jaipur-302001
Rajasthan, India

Board of Directors of our Company

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

| Sr No | Name | Designation | DIN | Address |
|-------|------------------|------------------------|----------|---|
| 1. | Abhishek Nathani | Managing Director | 10086861 | 502, Shivgyan Heights, DCM Ajmer Road, Jaipur, Rajasthan – 302019 |
| 2. | Kiran Nathani | Executive Director | 10086860 | Flat no 502, Shivgyan Heights, Nirman Nagar, DCM Main Ajmer Road, Nirman Nagar, Jaipur, Rajasthan – 302019 |
| 3. | Avani Shah | Independent director | 09608898 | 5, Sambhavnath Apartment, above Dena Bank, Jawaherchowk Sabarmati, Ahmedabad-380005 |
| 4. | Juhi Sawajani | Independent director | 09811893 | Thikadar pada, tittagarh, Balangir, Odisha-767033 |
| 5. | Rahul Sharma | Non-Executive Director | 10215352 | R H 04, G no.16, Raj Valley, Paithan Road Near Nath Valley School, Kanchanwadi, Devlai, Aurangabad, Maharashtra, 431002 |

For further details of our directors, please refer chapter titled “*Our Management*” beginning on page 95 of this Draft Prospectus.

Company Secretary and Compliance Officer

Monica Jain

KIZI APPARELS LIMITED

Address: H-629, Phase- II, Sitapura Industrial Area, Sanganer, Jaipur, 302022, Rajasthan, India.

Tel No: +91 99830 23939

Website: www.kiziapparels.co.in

E-mails: cs@kiziapparels.com

Note: Investors can contact our Company Secretary and Compliance Officer, the Lead Manager or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode etc.

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

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

| | |
|---|--|
| Lead Manager to the Issue Interactive Financial Services Limited Address: Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad - 380 015 Gujarat, India Tel No.: +91 079- 4601 9796 (M): +91-9898055647 Web Site: www.ifinservices.in Email: mbd@ifinservices.in Investor Grievance Email: info@ifinservices.in Contact Person: Pradip Sandhir SEBI Registration No: INM000012856 | Registrar to the Issue Bigshare Services Private Limited Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Center, Mahakali Caves Road, Andheri East, Mumbai-400093 Tel No: +91 22-62638200 Fax No +91 22-62638299 Website: www.bigshareonline.com E-Mail: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Contact Person: Asif Sayyed SEBI Reg. No.: INR000001385 |
| Legal Advisor to the Issue Sushmita Adhikari & Associates, PCS Firm Address: 138/17, Anupam Garden, Saket-110068, India Tel No.: 9990536393/ 9990536363 E-Mail: mukesh.chaudhary@saassociatess.com Contact Person: Adv. Mukesh Chaudhary Bar Council No.: D/13639/2022 | Statutory & Peer Reviewed Auditor M/s. D G M S & Co. Address: 217/218, Manek Center, P.N. Marg, Jamnagar - 361008 Tel No.: 9824231214 Email: dgmsco.jam@gmail.com Firm Registration No.: 112187W Contact Person: Mr. Shashank P. Doshi Peer Review Registration No.: 014466 |
| Bankers to the Company | Bankers to the Issue and Refund Banker and Sponsor Bank |
| Axis Bank Limited Address: Shop No. 3 to 7, Plot No.4, Ground Floor, Belvedere Park, Swej Farm, New Sanganer RD, Jaipur, Rajasthan-302019 Tel No: 022-24253672 Email Id: amita.chopra@axisbank.com Website: www.axisbank.com Contact Person: Amita Chopra Designation: Assistant Vice President | Axis Bank Limited Address: Shop No. 3 to 7, Plot No.4, Ground Floor, Belvedere Park, Swej Farm, New Sanganer RD, Jaipur, Rajasthan-302019 Tel No: 022-24253672 Email Id: amita.chopra@axisbank.com Website: www.axisbank.com SEBI Registration Number: INBI00000017 Contact Person: Amita Chopra Designation: Assistant Vice President |
| Advisor to the Company | |
| Wealthmine Networks Private Limited Address: 215B, Manek Center, P.N. Marg, Jamnagar-361001 Tel No: +91 98242 31214 Email Id: wealthminenetworks@gmail.com | |

Contact Person: Shashank Doshi

SYNDICATE MEMBER(S)

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

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

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

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

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

Registered Broker

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

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

Registrar to the Issue and Share Transfer Agents

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

Collecting Depository Participants

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

Inter-Se Allocation of Responsibilities

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

Credit Rating

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

IPO Grading

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

Monitoring Agency

As per regulation 262(1) of SEBI (ICDR) Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to Rs. 10,000 Lakhs. Since the Issue size is only of Rs. 664.50 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

APPRAISING ENTITY

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

Expert Opinion

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

Our Company has received a written consent from our Statutory & Peer Review Auditor, M/s. D G M S & Co., Chartered Accountants, with respect to their report on the Restated Financial Statements dated August 21, 2023 and with respect to the Statement of Tax Benefits dated August 21, 2023, to include their name in this Draft Prospectus, as required under Companies Act read with SEBI ICDR Regulations as “Expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “Expert” shall not be construed to mean an “Expert” as defined under the U.S. Securities Act.

Debenture Trustee

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

Changes in Auditors During the Last Three Years

There is no change in Auditor of the company since incorporation of our company.

Filing of Draft Offer Document/ Offer Document

- a) The Draft Prospectus and Prospectus shall be filed with SME Platform of BSE Limited (“BSE SME”) situated at Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051, India.
- b) A soft copy of Draft Prospectus shall be submitted to SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Draft Prospectus and Prospectus along with relevant documents shall be filed with SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.
- c) A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Jaipur, India situated at Registrar of Companies, C/6-7, 1st Floor, Residency Area, Civil Lines Jaipur- 302001, Rajasthan, India.

Underwriters

Our Company and the LM to the Issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated October 18, 2023 Pursuant to the terms of the Underwriting Agreement; the obligations of the Underwriter are several and are subject to certain conditions specified therein. The Underwriter have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Name and Address of the Underwriter | Indicative Number of Equity Shares | Amount Underwritten (₹in Lakhs) | % of the Net Issue size Underwritten |
|--|---|--|---|
| | | | |

| | Underwritten* | | |
|--|------------------|---------------|-------------|
| Interactive Financial Services Limited Address: Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad - 380 015 Gujarat, India Tel No.: +91 079- 4601 9796 (M): +91-9898055647 Web Site: www.ifinservices.in Email: mbd@ifinservices.in Investor Grievance Email: info@ifinservices.in Contact Person: Pradip Sandhir SEBI Registration No: INM000012856 | 26,58,000 | 664.50 | 100% |
| Total | 26,58,000 | 664.50 | 100% |

*Includes 1,38,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to comply with the requirements of Regulation 261 of SEBI (ICDR) Regulations 2018.

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

WITHDRAWAL OF THE ISSUE

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

Market Maker

Our Company and the Lead Manager have entered into an agreement dated October 18, 2023, 2023 with the following Market Maker, duly registered with BSE to fulfill the obligations of Market Making:

Beeline Broking Limited

Samudra Complex, Office no. 701-702,
Nr. Girish Cold Drinks, off. C G Road,
Navrangpura, Ahmedabad – 380009
Gujarat, India
Tel No: +079- 66664040

Email: pcs@beelinebroking.com

Investor Grievance Email ID: support@beelinebroking.com

Contact Person: Pradip R. Sandhir

SEBI Registration No: INZ000000638

Beeline Broking Limited is registered with BSE SME as a Market Maker and has agreed to receive or deliver the Equity Shares in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the trading hours in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE SME (SME platform of BSE) and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. The minimum lot size in the IPO is 6,000 Equity Shares, thus, the minimum depth of the quote shall be such an amount that the minimum lot of 6,000 Equity Shares is met, until the same is revised by Stock exchange.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is 6,000 equity shares; however, the same may be changed by the SME Platform of stock exchange from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size (including the 1,38,000 Equity Shares to be allotted under this Issue to the Market Maker). Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken into consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. There would not be more than five (5) Market Makers for a scrip of the company at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
9. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Exchange.
10. The Equity Shares of the Issuer will be traded in continuous trading session from the time and day the Issuer gets listed on BSE SME and Market Maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars or amended from time to time.
11. The Market Maker shall not buy the Equity Shares from the Promoters or Promoter Group of the Issuer or any person who has acquired Equity Shares from such Promoter or Promoter Group, during the Compulsory Market Making Period
12. The Promoters' holding of the Issuer which is locked-in shall not be eligible for offering to Market Maker during the Compulsory Market Making period. However, the Promoters' holding of the Issuer which is not locked in as per SEBI ICDR Regulations can be traded with prior permission of the BSE SME, in the manner specified by SEBI from time to time.
13. The LM, if required, has a right to appoint a nominee director on the Board of the Issuer any time during the Compulsory Market Making period provided it meets requirements of the SEBI ICDR Regulations.

14. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer at any particular level and is purely supposed to facilitate liquidity on the counter of the Issuer via its 2-way quotes. The price shall be determined and be subject to market forces.
15. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while withdrawal on account of force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
16. The Market Maker shall have the right to terminate said arrangement by giving a six month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
17. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.
18. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
19. **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular Equity Shares of the Company as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

20. Price Band and Spreads SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be
 - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
21. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME.

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

22. After completion of the first three months of market making, in terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Offer). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two-way quotes during the first three months of the market making irrespective of the level of holding.
23. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. The call auction is not applicable of those companies, which are listed at SME platform.
24. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.
25. Further, the following shall apply to Market Maker while managing its inventory during the process of market making:
- The exemption from threshold as per table below shall not be applicable for the first three (3) months of the Compulsory Market Making Period and the Market Maker shall be required to provide two-way quotes during this period irrespective of the level of holding.
 - Threshold for market making as per table below will be inclusive of mandatory inventory of 5% of Issue Size at the time of Allotment in the Issue.
 - Any initial holdings over and above such 5% of Issue size would not be counted towards the inventory levels prescribed
 - Apart from the above mandatory inventory, only those Equity Shares which have been acquired on the platform of the Exchange during market making process shall be counted towards the Market Maker's threshold.
 - Threshold limit will be taken into consideration, the inventory level across market makers.
 - The Market Maker shall give two-way quotes till it reaches the upper limit threshold, thereafter it has the option to give only sell quotes.
 - Two-way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.
 - In view of the market making obligation, there shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process on the platform of the Exchange, the Exchange may intimate the same to SEBI after due verification.

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

26. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ BSE from time to time. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

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

Amount (₹ in Lacs except share data)

| Sr. No. | Particulars | Aggregate nominal value | Aggregate value at Issue Price |
|-----------|--|-------------------------|--------------------------------|
| A. | AUTHORISED SHARE CAPITAL | | |
| | 80,00,000 Equity Shares of face value of ₹10 each | 800.00 | |
| B. | ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL BEFORE THE ISSUE | | |
| | 51,61,200 fully paid Equity Shares of face value of Rs. 10 each | 516.12 | |
| C. | PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS# | | |
| | Issue of 26,58,000 Equity Shares of face value of ₹10 each at a premium of ₹15 per share | 265.80 | 664.50 |
| | Which Comprises: | | |
| (I) | Reservation for Market Maker 1,38,000 Equity Shares of face value of ₹10 each at a premium of Rs. ₹15 will be available for allocation to Market Maker | 13.80 | 34.50 |
| (II) | Net Issue to the Public 25,20,000 Equity Shares of face value of ₹10 each at a premium of ₹15 per share | 252.00 | 630.00 |
| | Of Net Issue to the Public | | |
| (I) | 12,60,000 Equity Shares of face value of ₹10 each at a premium of ₹15 per share shall be available for allocation for Investors applying for a value of upto ₹2 Lakh | 126.00 | 315.00 |
| (II) | 12,60,000 Equity Shares of face value of ₹10 each at a premium of ₹15 per share shall be available for allocation for Investors applying for a value above ₹2 Lakh | 126.00 | 315.00 |
| D. | ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE PRESENT ISSUE | | |
| | 78,19,200 Equity Shares of ₹10 each | 781.92 | |
| E. | SHARE PREMIUM ACCOUNT | | |
| | Share Premium account before the Issue | | - |
| | Share Premium account after the Issue | | 398.70 |

Note:

The present issue of 26,58,000 equity shares in terms of this Draft Prospectus has been authorized by a resolution of our Board dated September 12, 2023 and by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on October 06, 2023

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

Details of Changes in Authorized Share Capital:

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

| Sr. No. | Date of Change | AGM/ EGM | Changes in authorized Capital |
|---------|----------------|----------|-------------------------------|
|---------|----------------|----------|-------------------------------|

| | | | |
|----|-----------------------------------|-----|--|
| 1. | On Incorporation (March 24, 2023) | - | The authorized capital of our company on incorporation comprised of ₹ 50,00,000/- consisting of 5,00,000 Equity shares of ₹ 10 each. |
| 2. | May 29, 2023 | EGM | The authorized share capital of ₹ 50,00,000/- consisting of 5,00,000 Equity shares of ₹ 10 each was increased to ₹5,50,00,000/- consisting of 55,00,000 Equity shares of ₹10/- Each. |
| 3. | June 29, 2023 | EGM | The authorized share capital of ₹5,50,00,000/- consisting of 55,00,000 Equity shares of ₹10/- each was increased to ₹8,00,00,000/- consisting of 80,00,000 Equity shares of ₹10/- Each |

NOTES TO THE CAPITAL STRUCTURE:

1. Share Capital History:

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

| Date of Allotment | No. of Equity Shares allotted | Face Value (Rs.) | Issue Price (Rs.) | Nature of Consideration | Reason / Nature of Allotment | Cumulative No. of Equity Shares |
|-----------------------------------|-------------------------------|------------------|-------------------|-------------------------|-------------------------------------|---------------------------------|
| On Incorporation (March 24, 2023) | 10,000 | 10 | 10 | Cash | Subscription to MoA ¹ | 10,000 |
| June 03, 2023 | 51,51,200 | 10 | 10 | other than cash | Preferential Allotment ² | 51,61,200 |

@ Preferential Allotment (in consideration for the purchase of Business of M/s. Aaika Creations).

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

| Sr. No | Name of the Person | No of Shares Subscribed |
|--------------|--------------------|-------------------------|
| 1. | Kiran Nathani | 100 |
| 2. | Abhishek Nathani | 9900 |
| Total | | 10,000 |

² Further Allotment as on June 03, 2023 of 51,51,200 Equity Shares of face value of Rs.10 each per share issued as fully paid up at par, as a consideration of taking over of Proprietorship Business, the details are given below:

| Sr. No | Name of the Person | No of Shares Subscribed |
|--------------|--------------------|-------------------------|
| 1. | Abhishek Nathani | 51,51,200 |
| Total | | 51,51,200 |

2. Equity Share Issued for consideration other than cash:

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

| Date of Allotment | No. of Total Equity Shares allotted | Face Value (Rs.) | Issue Price (Rs.) | Name of Allottees | No. of Shares Allotted | Nature of Allotment / Reason | Benefit Accrued |
|-------------------|-------------------------------------|------------------|-------------------|-------------------|------------------------|---------------------------------|--|
| June 03, 2023 | 51,51,200 | 10 | 10 | Abhishek Nathani | 5,03,979 | Allotment on Preferential Basis | Taking over of Proprietorship Business |

3. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

4. Further, our Company has not allotted any Equity Shares pursuant to any scheme approved under section 230-234 of the Companies Act, 2013.

5. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme /

Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.

6. Except stated below, Our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Prospectus at a price lower than the Issue price:

| Date of Allotment | No. of Total Equity Shares allotted | Face Value (Rs.) | Issue Price (Rs.) | Name of Allottees | No. of Shares Allotted | Nature of Allotment / Reason | Promoter / Promoter Group | Benefit Accrued |
|-------------------|-------------------------------------|------------------|-------------------|-------------------|------------------------|---------------------------------|---------------------------|--|
| March 24, 2023 | 100 | 10 | 10 | Abhishek Nathani | 9900 | Subscribers to the MoA | Promoter | Subscribers to the MoA |
| | | | | Kiran Nathani | 100 | | Promoter Group | |
| June 03, 2023 | 51,51,200 | 10 | 10 | Abhishek Nathani | 5,03,979 | Allotment on Preferential Basis | Promoter | Taking over of Proprietorship Business |

7. Our Shareholding Pattern:

The shareholding pattern of our company in accordance with Regulation 31 of SEBI (LODR) Regulations, 2015, as on October 18, 2023:

i. Summary of Shareholding Pattern:

| Category (I) | Category of shareholder (II) | Nos of shareholders (III) | No of fully paid-up equity shares held (IV) | No of Partly paid-up equity shares held (V) | No of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | No of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|--------------|--------------------------------|---------------------------|---|---|--|--|--|---|-------------------------|---|--|----------------------------------|---------------------------------|---|---------------------------------|---|
| | | | | | | | | No of Voting Rights | Total as a % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (A) | Promoter & Promoter Group | 2 | 5155300 | 0 | 0 | 5155300 | 99.89 | 5155300 | 99.89 | 0 | 0 | | | 0 | 0 | 0 |
| (B) | Public | 5 | 5900 | 0 | 0 | 5900 | 00.11 | 5900 | 00.11 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (C) | Non Promoter-Non Public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N.A | N.A | 0 |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N.A | N.A | 0 |
| (C2) | Shares held by Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N.A | N.A | 0 |
| | TOTAL | 7 | 5161200 | 0 | 0 | 5161200 | 100 | 5161200 | 100.00 | 0 | 0 | | | N.A | N.A | |

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

8. The shareholding pattern before and after the Issue:

| Sr. No | Name of share holder | Pre-issue | | Post Issue | |
|----------------------------|----------------------|---------------------|--------------------------|---------------------|--------------------------|
| | | No of equity shares | As a % of Issued Capital | No of equity shares | As a % of Issued Capital |
| (i) Promoter | | | | | |
| 1. | Abhishek Nathani | 5151300 | 99.81 | 5151300 | 65.88 |
| | TOTAL (A) | 5151300 | 99.81 | 5151300 | 65.88 |
| (ii) Promoter Group | | | | | |
| 2. | Kiran Nathani | 4000 | 0.08 | 4000 | 0.05 |
| | TOTAL (B) | 4000 | 0.08 | 4000 | 0.05 |
| (iii) Public | | | | | |
| 3. | Raj Kumar Nathani | 500 | 0.01 | 500 | 0.01 |
| 4. | Suchita Nathani | 500 | 0.01 | 500 | 0.01 |
| 5. | Mit Shah | 400 | 0.01 | 400 | 0.01 |
| 6. | Rahul Sharma | 500 | 0.01 | 500 | 0.01 |
| 7. | Ranjan Sharma | 4000 | 0.08 | 4000 | 0.05 |
| | IPO | - | | 2658000 | 33.99 |
| | TOTAL (C) | 5900 | 0.12 | 2663900 | 34.07 |
| | TOTAL (A+B+C) | 5161200 | 100.00 | 7819200 | 100.00 |

8. Details of Major Shareholders

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

| Sr. No. | Name of shareholder | No. of Shares | % of Shares Capital |
|---------|---------------------|----------------|---------------------|
| 1. | Abhishek Nathani | 5151300 | 99.81 |
| | TOTAL | 5151300 | 99.81 |

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

| Sr. No. | Name of shareholder | No. of Shares | % of Shares Capital |
|---------|---------------------|----------------|---------------------|
| 1. | Abhishek Nathani | 5151300 | 99.81 |
| | TOTAL | 5151300 | 99.81 |

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

As the company has been incorporated on March 24, 2023, the information Shareholder holding 1.00% or more of the paid-up capital of the company one years prior to the date of the Draft Prospectus is NOT APPLICABLE

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

As the company has been incorporated on March 24,2023, the information Shareholder holding 1.00% or more of the paid-up capital of the company two years prior to the date of the Draft Prospectus is NOT APPLICABLE

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

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

additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

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

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

| Date of Allotment / Transfer | Nature of Issue/ Allotment (Bonus, Rights etc) | Consideration | No. of Equity Shares | Cumulative No. of Equity Shares | Face Value (Rs.) | Issue/ Transfer Price | % of total Issued Capital | | Lock In |
|------------------------------|--|-----------------|----------------------|---------------------------------|------------------|-----------------------|---------------------------|--------------|---------|
| | | | | | | | Pre-Issue | Post-Issue | |
| Abhishek Nathani | | | | | | | | | |
| March 24, 2023 | On Incorporation | Cash | 9900 | 9900 | 10 | 10 | 00.19 | 0.13 | 1 year |
| June 03, 2023 | Preferential Allotment | Other than cash | 1563840 | 1573740 | 10 | 10 | 30.30 | 20.00 | 3 Years |
| | | | 3577560 | 5151300 | 10 | 10 | 69.32 | 45.75 | 1 year |
| | | | 9800 | 5161100 | 10 | 10 | 0.19 | 0.13 | 1 Year |
| July 04, 2023 | Transferred | Cash | -500 | 5160600 | 10 | 25 | - | - | - |
| July 05, 2023 | Transferred | Cash | -500 | 5160100 | 10 | 25 | - | - | - |
| July 19, 2023 | Transferred* | Cash | -400 | 5159700 | 10 | 10 | - | - | - |
| July 19, 2023 | Transferred | Cash | -500 | 5159200 | 10 | 25 | - | - | - |
| July 19, 2023 | Transferred | Cash | -4000 | 515520 | 10 | 25 | - | - | - |
| July 19, 2023 | Transferred | Cash | -3900 | 5151300 | 10 | 25 | - | - | - |
| | TOTAL (A) | | | 51,51,300 | | | 99.81 | 65.88 | |

* The Share has been transferred below the issue price.

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

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

| Date of transaction | Name of the Promoter/ Director/ Promoter Group. | Purchased /sold | No. of shares |
|---------------------|---|-----------------|---------------|
| July 04, 2023 | Abhishek Nathani | Sold | 500 |
| July 05, 2023 | Abhishek Nathani | Sold | 500 |
| July 19, 2023 | Abhishek Nathani | Sold | 400 |
| July 19, 2023 | Abhishek Nathani | Sold | 500 |
| July 19, 2023 | Abhishek Nathani | Sold | 4000 |
| July 19, 2023 | Abhishek Nathani | Sold | 3900 |
| TOTAL | | | 9800 |

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

14. Lock in of Promoter:

- a) As per clause (a) Regulation 238 of the SEBI (ICDR) Regulations and in terms of the aforesaid table, an aggregate of 20.00 % of the post-Issue Equity Share Capital of our Company i.e. 15,63,840 equity shares shall be locked in by our Promoter for three years. The lock-in shall commence from the date of allotment in the proposed public issue and the last date of lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. ("Minimum Promoters' contribution").

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoter for the lock-in of 15,63,840 Equity Shares

for three years. The Equity Shares that are being locked in are not ineligible for minimum promoters' contribution in terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018. In connection, we confirm the following.

- The equity shares offered for minimum 20% promoters' contribution have not been acquired in the preceding three years before the date of draft prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction nor resulted from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters' contribution;
- The minimum promoters Contribution does include Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue; however the same is eligible for lock in for 3 years in terms of SEBI ICDR Regulations no. 15(1)(C), according to which "the specified securities allotted to the promoters during the preceding one year at a price less than the issue price, against funds brought in by them during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to the promoters against the capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible;
- The minimum promoters Contribution does not include Equity shares pledged with any creditor.

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

In addition to 20.00% (15,63,840) of the post-Issue shareholding of our Company shall be locked-in for three years as the minimum Promoters' contribution, the balance Pre-Issue Paid-up Equity Share Capital i.e. 35,87,460 the Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering as provided in clause (b) of Regulations 238 of SEBI (ICDR) Regulations, 2018.

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

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 9,900 Equity shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

16. Transferability of Lock-in securities:

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

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

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

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

- If the specified securities are locked-in in terms of clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, and the pledge of specified securities is one of the terms of sanction of the loan.
18. In terms of regulations 241 of the SEBI(ICDR) Regulations, 2018, our Company confirms the securities issued in dematerialized form then the lock-in is recorded by the depository.
 19. Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
 20. All the Equity Shares of our Company are fully paid up equity shares as on the date of the Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
 21. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.
 22. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
 23. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines
 24. As per RBI regulations, OCBs are not allowed to participate in this Issue.
 25. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
 26. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
 27. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
 28. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
 29. Our Promoter and the members of our Promoter Group will not participate in this Issue.
 30. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
 31. Our Company shall ensure that transactions in the Equity Shares by the Promoter Group between the date of registering Prospectus with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
 32. None of our Key Managerial Personnel holds any Equity Shares in our Company.
 33. As on date of this Draft Prospectus, our Company has 7 Shareholders.

SECTION IV - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The present Public Issue of 26,58,000 Equity Shares at an issue price of ₹25 per Equity Share.

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

1. Repayment of Unsecured Loans
2. Long term Working capital requirement
3. General Corporate Purpose,
4. Meeting Public Issue Expenses.

(Collectively referred to as “Objects”)

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

Net Proceeds

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

| Sr. No. | Particulars | Estimated Amount (₹ In lakhs) |
|----------------------------------|-------------------------------|-------------------------------|
| 1. | Gross proceeds from the issue | 664.50 |
| 2. | Less: Issue related expenses | 60.00 |
| Net proceeds of the issue | | 604.50 |

Requirement of funds and utilization of Net Proceeds

| Sr. No. | Particulars | Estimated Amount (₹ In lakhs) |
|--|---------------------------------------|-------------------------------|
| 1. | Repayment of Unsecured Loans | 29.50 |
| 2. | Long term Working capital requirement | 425.00 |
| 3. | General corporate purposes | 150.00 |
| Total utilization of net proceeds | | 604.50 |

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

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

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

Schedule of implementation and Deployment of Net Proceeds

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

| (₹ In lakhs) | | | | |
|--------------|-------------|-----------------|-------------------------|---|
| Sr. | Particulars | Total Estimated | Amount already deployed | Estimated utilization of net proceeds in FY 2023-2024 |

| No. | | Cost | | |
|-----|---|---------------|----------|---------------|
| 1. | Repayment of unsecured Loans | 29.50 | 0 | 29.50 |
| | Long term Working capital requirement | 425.00 | 0 | 425.00 |
| 2. | General corporate purposes ¹ | 150.00 | 0 | 150.00 |
| | Total | 604.50 | 0 | 604.50 |

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

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2023-24. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2023-24 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

Means of Finance

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

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

DETAILS OF THE OBJECTS OF THE ISSUE

Repayment of Unsecured Loan

The Company had availed unsecured loans from various NBFCS for meeting incremental working capital requirement. The detailed breakup of the various limits is as follow.

(₹ In Lacs except EMI)

| Sr. No. | Name of the NBFC | Amount Sanctioned | Outstanding amount as on 30.09.2023 | EMI | Rate of Interest | Purpose for which loan utilised | Prepayment Charges |
|---------|--|-------------------|-------------------------------------|--------|------------------|---------------------------------|--|
| 1 | Hero Fincorp Limited | 7.08 | 1.36 | 35360 | 18% | Working capital | |
| 2 | Aditya Birla Finance Limited | 15.00 | 8.06 | 53854 | 17.50% | Working capital | |
| 3 | Poonawala Fincorp Limited | 20.00 | 10.82 | 72561 | 18% | Working capital | 5% of outstanding Principal amount |
| 4 | Choice FinServ private Limited | 25.00 | 21.30 | 63484 | 18% | Working capital | |
| 5 | Mahindra and Mahindra Financial Services Limited | 25.10 | 22.56 | 92036 | 18.50% | Working capital | 3% of the outstanding principal Amount |
| 6 | Ashv Finance Limited | 30.00 | 26.79 | 109969 | 19% | Working capital | 5% of outstanding Principal amount |
| 7 | Mas Financial Services Limited | 50.00 | 47.89 | 180792 | 18% | Working Capital | |
| | Total | | 90.89 | | | | |

* For the Terms and Conditions please refer to page 138 "Financial Indebtedness" chapter of this Draft Prospectus,

Note: Auditor certificate from M/s. DGMS & Co; dated: October 19, 2023, UDIN: 23108456BGUDWU9304, certifying the utilization of loan for the purposed availed.

We intend to utilise the amount of Rs. 29.50 lacs from the net proceeds towards repayment of loans borrowed by the Company from NBFCs. The high Interest rate affect the profitability of the Company. The repayment of loan will reduce the interest cost and cash flow will be utilised for working capital.

1) LONG TERM WORKING CAPITAL REQUIREMENTS

The Company is in the Business of producing customized goods according to buyer specifications, crafting garments based on their designs and quality standards. These garments are then labelled with the customer's brand and distributed/delivered to their desired locations. The company had achieved the growth of 210% in FY 2022-23 in comparison of 2021-22. The management estimate the additional working capital requirement in the future.

As on March 31, 2023 the Company's net working capital consisted of Rs. 670.63 Lakhs as against the Rs. 369.03 lakhs as on March 31, 2022. The Net working capital requirement for current financial year F.Y. 2023-24 is estimated to be Rs.1084.68 Lakhs. As on the date of this Draft Prospectus we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, unsecured loans, working capital loans from the Banks etc.

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

(₹ In Lacs)

| Particulars | 31.03.2021 | 31.03.2022 | 31.03.2023 | 31.03.2024 |
|---|---------------|---------------|----------------|----------------|
| Inventories | 153.05 | 268.29 | 480.15 | 622.02 |
| Trade Receivables | 82.28 | 78.58 | 534.47 | 690.41 |
| Cash and Bank Balances | 61.08 | 78.03 | 57.11 | 75.33 |
| Short term loans and Advances | 71.2 | 65.25 | 19.25 | 25.00 |
| Other current Assets | 8.48 | 14.17 | | |
| Other Non Current Assets | | | | |
| Total | 376.09 | 504.32 | 1090.98 | 1412.76 |
| Less : | | | | |
| Trade Payables | 81.41 | 131.53 | 396.43 | 318.08 |
| other Current Liabilities | 1.11 | 3.76 | 5.36 | 10.00 |
| Short Term Provisions | | | 18.56 | |
| Total Liabilities | 82.52 | 135.29 | 420.35 | 328.08 |
| Net Working Capital | 293.57 | 369.03 | 670.63 | 1084.68 |
| Less : Bank Borrowings | 131.45 | 133.65 | 182.3 | 200 |
| Balance | 162.12 | 235.38 | 488.33 | 884.68 |
| Financed through Capital Internal Cash Accruals | 162.12 | 127.07 | 359.68 | 359.68 |
| Long term (unsecured Frm NBFC) | 0 | 108.31 | 128.65 | 100.00 |
| Fund from IPO | | | | 425.00 |

Assumptions for working capital requirements

| Particulars | No. of Days outstanding or holding level as on | | | F.Y. 2023-24 (Estimated) | Justification for Holding |
|-------------------|--|-------------|-------------|--------------------------|---|
| | F.Y. 2020-21 | F.Y.2021-22 | F.Y.2022-23 | | |
| Finished Goods | 996 | 336 | 176 | 176 | The Business of the company has grown more than 210% hence the finished goods stock assumption was on the basis of FY 2022-23 |
| Trade Receivables | 130 | 57 | 126 | 126 | The Business of the company has grown more than 210% hence the credit period given to customers was on the basis of |

| | | | | | |
|----------------|-----|-----|-----|----|--|
| | | | | | FY 2022-23 |
| Trade Payables | 514 | 165 | 145 | 90 | The Company has reduced the credit period from the suppliers. The excess Credit period has its own cost and it will reduce the margin of the Company. The company has estimated 90 day credit period so as to get the better price which will increase the profitability of the Company. |

Note: Auditor certificate from M/s. DGMS & Co; dated: October 19, 2023, UDIN: 23108456BGUDWS7536, certifying the utilization of loan for the purposed availed.

2. General Corporate Purposes

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

Our management will have flexibility in applying Rs.150.00 lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies etc or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

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

Issue Related Expenses

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

| Activity | Estimated expenses (₹ in lakhs) | As a % of total estimated issue related expenses | As a % of Gross Issue Size |
|---|---------------------------------|--|----------------------------|
| Lead Manger Fees including Underwriting Commission. | 24.00 | 40.00 | 3.61 |
| Brokerage, selling commission and upload fees | 2.00 | 3.33 | 0.30 |
| Registrar to the Issue | 1.00 | 1.67 | 0.15 |
| Legal Advisors | 3.00 | 5.00 | 0.45 |
| Advertising and marketing expenses | 5.00 | 8.33 | 0.75 |
| Regulators including stock exchanges | 10.00 | 16.67 | 1.50 |
| Printing and distribution of issue stationary | 3.00 | 5.00 | 0.75 |
| Others (Market Making fees etc.) | 12.00 | 20.00 | 1.81 |
| Total estimated issue related expenses | 60.00 | 100.00 | 9.03 |

Notes

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

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

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

Interim use of Net Proceeds

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

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

Bridge Financing Facilities

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

Appraisal Report

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

Monitoring Utilization of Funds

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

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

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

Variation in Objects

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

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

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

Other Confirmation

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

BASIS FOR ISSUE PRICE

The Issue Price of ₹25 per Equity Share is determined by our Company in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹10.00/- per Equity Share and Issue Price is ₹25 per Equity Share. The Issue Price is 2.5 times the face value.

Investors should refer sections / chapters titled “Risk Factors”, “Restated Financial Statements”, “Management Discussion and Analysis of Financial Condition and Results of Operations” and “Business Overview” beginning on page 17, 108, 135 and 69 respectively of this Draft Prospectus to get an informed view before making an investment decision.

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

Qualitative Factors

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

Quality
Innovation
Integrity
Empowerment
Partnership

For further details, please refer to the paragraph titled “Our Competitive Strengths” in the chapter titled “Business Overview” beginning on page 69 of this Draft Prospectus.

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

1) Basic and Diluted Earnings Per Share (EPS)

| Year ended | Basic and Diluted EPS |
|-------------------|-----------------------|
| June 30, 2023 | 0.40 |
| Annualized | 1.60 |

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

2) Price to Earnings (P/E) ratio in relation to Issue Price ₹25 per Equity Share of ₹10.00/- each fully paid up

| Particulars | P/E ratio (Pre Bonus) |
|---|-----------------------|
| P/E ratio based on Basic and diluted EPS on annualized basis of EPS for the Period ended on June 30,2023# | 15.63 |
| Industry | |
| Highest | Not Applicable |
| Lowest | Not Applicable |
| Average | Not Applicable |

Not Annualized

3) Return on Net worth (RoNW)

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

| Year Ended | RONW (%) |
|---------------|----------|
| June 30, 2023 | 3.84 |

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

- 1) Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.

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

4) Net Asset Value (NAV)

| Particulars | ₹ per share (pre Bonus) |
|--|--------------------------|
| Net Asset Value per Equity Share as of June 30, 2023 | 10.40 |
| Net Asset Value per Equity Share after IPO | 15.36 |
| Issue Price | 25.00 |

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

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

5) Comparison with industry peers

| Companies | CMP* | EPS | PE Ratio | RONW (%) | NAV (Per Share) | Face Value | Total Income (₹ in Lakhs) |
|------------------------------|---------|------|----------|----------|-----------------|------------|---------------------------|
| Kizi Apparels Limited ## | 25.00** | 0.40 | 15.63 | 3.84 | 10.40 | 10.00 | 470.21 |
| Peer Group | | | | | | | |
| Thomas Scott (India) Limited | 133.30 | 5.22 | 25.54 | 20.15 | 22.56 | 10.00 | 6,281.58 |
| Bizotic Commercial Limited | 59.57 | 4.92 | 12.11 | 31.86 | 15.00 | 10.00 | 6,556.65 |
| Nandani | | | | | | | |

*CMP as on October 12, 2023

** CMP of our company is considered as an Issue Price.

Amount taken as on June 30, 2023

Source: www.bseindia.com

Notes:

- Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above company is included for broad comparison.
- The figures for Kizi Apparels Limited, are based on the restated standalone financial statements for the year ended June 30, 2023.
- The figures are based on the Standalone financial statements for the year ended March 31, 2023 of Thomas Scott (India) Limited and Bizotic Commercial Limited from the Annual reports of the Companies available from the website of the Stock Exchange and website of the Companies.
- CMP of the peer group is as per the closing price as available on www.bseindia.com
- P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on October 12, 2023 sourced from website of Stock Exchange as divided by the Basic/diluted EPS as applicable.

For further details, please refer section titled “Risk Factors” beginning on page 17 of this Draft Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 108 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value is Rs.10.00/- per Equity Share and the Issuer Price Rs.25 has been determined by the Issuer in consultation with the Lead Manager and is justified by the company in consultation with the Lead Manager on the basis of above information.

Key Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyses the business performance, which in result, help us in analysing the growth of various verticals.

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

| KPI | Explanations |
|-----------------------------------|--|
| Revenue from Operations (₹ lakhs) | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business. |
| Current Ratio | It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables. |
| Debt To Equity Ratio | Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage. |
| Return on Equity | This metric enables us to track how much profit a company generates with the money that the equity shareholders have invested. |
| Operating EBITDA (₹ lakhs) | Operating EBITDA provides information regarding the operational efficiency of the business. |
| Operating EBITDA Margin (%) | Operating EBITDA Margin is an indicator of the operational profitability and financial performance of our business. |
| Profit After Tax (₹ lakhs) | Profit after tax provides information regarding the overall profitability of the business. |
| PAT Margin | PAT Margin is an indicator of the overall profitability and financial performance of our business. |
| Return on Capital Employed | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated October 13, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time since Incorporation to the date of filing of this Draft Prospectus. Further, the KPIs herein have been certified by statutory auditor.

Financial KPI of our Company

| Sr No. | Metric | As of and for the Fiscal | |
|--------|-----------------------------|--------------------------|----------------|
| | | June 30, 2023 | March 31, 2023 |
| 1 | Total Income | 470.21 | - |
| 2 | Current Ratio | 1.63 | - |
| 3 | Debt Equity ratio | 0.75 | - |
| 4 | EBDITA | 44.05 | - |
| 5 | Operating EBDITA Margin (%) | 9.37 | - |
| 6 | PAT | 20.63 | - |
| 7 | Net profit Ratio | 0.04 | - |
| 8 | Return on Equity ratio | 0.15 | - |
| 9 | Return on Capital Employed | 0.07 | - |

Notes:

- As certified by the Statutory Auditor vide their certificate dated October 14, 2023
- Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities
- Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term-borrowings) by total equity (which includes issued capital and all other equity reserves).
- Return on equity (RoE) is equal to profit for the year divided by the total equity during that period and is expressed as a percentage.
- Operating EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. Operating EBITDA excludes other income.
- Operating EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our total revenue.
- RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total equity plus Reserves & Surplus.

Comparison of key performance indicators with Peer Group Companies

(₹ in Lacs)

| Sr. No | Key Performance Indicators | Kizi Apparels Limited | Thomas Scott (India) Limited | Bizotic Commercial Limited |
|--------|----------------------------|-----------------------|------------------------------|----------------------------|
| 1 | Total Income | 470.21 | 6,278.95 | 6515.73 |
| 2 | current Ratio | 1.63 | 1.67 | 1.21 |
| 3 | Debt Equity Ratio | 0.75 | 3.75 | 0.51 |
| 4 | EBDITA | 44.05 | 468.11 | 440.82 |
| 5 | Operating EBDITA Margin | 9.37 | 7.46 | 6.77 |
| 6 | PAT | 20.63 | 288.97 | 268.67 |
| 7 | Net profit Ratio | 0.04 | 0.05 | 0.04 |
| 8 | Return on Equity | 0.15 | 0.20 | 0.32 |
| 9 | Return on Capital Employed | 0.07 | 0.16 | 0.70 |

- Key Performance Indicators are as on June 30, 2023.

Weighted average cost of acquisition (“WACA”), floor price and cap price

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

The details of the Equity during the 18 months preceding the date of this prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuance”) are as follows:

| Date of allotment | No. of equity shares allotted | Face value per equity share# (₹) | Issue price per equity share (₹) * | Nature of allotment | Nature of consideration | Total Consideration (in ₹ lakhs) |
|-------------------|-------------------------------|----------------------------------|------------------------------------|------------------------|-------------------------|----------------------------------|
| June 03, 2023 | 51,51,200 | 10 | 10 | Preferential Allotment | other than cash | 51,61,200 |

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

The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the secondary sale / acquisition of Equity Shares or convertible securities involving Promoter, Promoter Group during the 18 months preceding the date of filing of this Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

For further details, please refer section titled “Risk Factors” beginning on page 17 of this Draft Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 108 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value is Rs.10.00/- per Equity Share and the Issue Price Rs. 25 has been determined by the Issuer in consultation with the Book Running Lead Manager and is justified by the company in consultation with the Book Running Lead Manager on the basis of above information.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Kizi Apparels Private Limited
H-629, Phase- II,
RIICO IND Area Sitapura,
Jaipur, Rajasthan 302022

Dear Sir,

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

We hereby report that the enclosed annexure, prepared by the management of the company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 read with Income Tax Rules, Circulars, Notifications (‘Act’) as amended by the Finance Act, 2023, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

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

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

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

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

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

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views, consequence to such change. We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“Guidance Note”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

**M/s. D G M S & Co.,
Chartered Accountants
Firm Reg No: 112187W**

Sd/-

**Shashank P. Doshi
Partner
Mem. No: 108456
UDIN: 23108456BGUDQX8466**

**Place: Jamnagar
Date: August 21, 2023**

ANNEXURE

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

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

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

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

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

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

Note:

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

SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Prospectus, including the information in the sections "Risk Factors" and "Restated Financial Statements" on pages 17 and 108, respectively of the Draft Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 17 of the Draft Prospectus. Accordingly, investment decisions should not be based on such information.

INTRODUCTION

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, 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. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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



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

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

INDIAN ECONOMY

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.

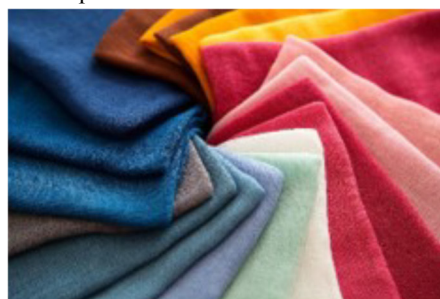
In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

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

THE INDIAN TEXTILE AND APPAREL INDUSTRY

The Indian Textile and Apparel Industry is valued at over US\$ 100 billion, employing over 45 million people and accounting for 14% of the country's industrial production. India is a global leader in producing several textile products, such as being the second biggest producer of silk, cotton and Multimode Fibre (MMF). It is also a world leader in jute production, accounting for nearly 70% of global production. Additionally, based on capacity, the country has the second largest vertically integrated production base after China. This leadership position gives the country significant advantages, such as manufacturing strength across the value chain and a huge raw material base. The value chain includes weaving, spinning, garmenting and processing.

The Confederation of Indian Industry (CII) expects the industry to achieve a production level of US\$ 250 billion by FY25, rising at a Compounded Annual Growth Rate (CAGR) of 12% between FY22 and FY25. In terms of exports, the CII expects industry exports to increase at a CAGR of 15% and reach US\$ 185 billion by FY25. This target would help India double its share of the global textile and apparel trade from the current level of 5%. Growth is expected to be driven by demographic dividend, an increasing tendency to spend more on lifestyle products, and the spread of e-retailing and organised retailing in smaller towns and rural areas, thus boosting domestic demand. The growth in the industry will maximise value creation and employment generation and boost investment of approximately US\$ 180 billion in the industry.



TEXTILE AND APPAREL EXPORTS FROM INDIA

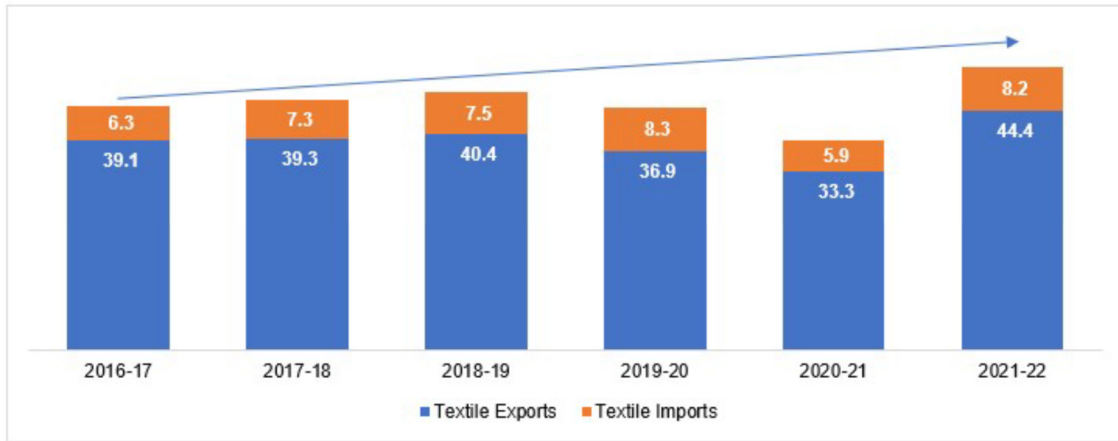
The Indian textile industry contributes approximately 15% to the country's export earnings. In FY22, textiles, handicrafts and apparel accounted for 10.6% of India's total exports. Barring a decline in FY20 and FY21, exports have risen steadily since FY16. Textile and apparel exports rose to their highest level in FY22, reaching US\$ 44.4 billion and growing 41% over FY21 and 26% over FY20. Exports have increased 13.9% since FY16. In FY22, the US was the top export destination, accounting for 27% of textile exports, followed by the EU (18%) and Bangladesh (12%). Further details of textile and apparel exports are given below.

| Commodity | 2019-20 | 2020-21 | 2021-22 | % Change |
|-----------------------------------|---------------|---------------|---------------|--------------|
| Readymade Garment | 15,488 | 12,272 | 16,015 | 30.5% |
| Cotton Textiles | 10,263 | 11,128 | 16,516 | 48.4% |
| Man-made Textiles | 5,324 | 4,180 | 6,944 | 66.1% |
| Wool and Woollen textiles | 181 | 109 | 166 | 52.3% |
| Silk Products | 72 | 76 | 145 | 90.8% |
| Handloom Products | 319 | 223 | 269 | 20.6% |
| Carpets | 1,373 | 1,491 | 1,754 | 17.6% |
| Jute Products | 357 | 397 | 537 | 35.3% |
| Handicrafts | 3,564 | 3,443 | 2,088 | -39.4% |
| Total Textile and Clothing | 36,943 | 33,320 | 44,435 | 33.4% |

As seen above, readymade garments represent the largest share of textile exports, followed by exports of cotton textiles until FY21. However, cotton textile exports rose significantly in FY22, surpassing the readymade garment segment and thus contributing to the highest share. India is a net exporter with respect to the textile and apparel industry, which implies that textile and apparel exports exceed the country's imports. Hence, the

industry is important in earning valuable foreign exchange and reducing the current account deficit. The government aims to achieve US\$ 100 billion in textile exports by 2030.

INDIAN TEXTILE TRADE (IN US\$ BILLION)



(Source: <https://www.ibef.org/blogs/the-textile-and-apparel-exports-of-india>)

MARKET SIZE

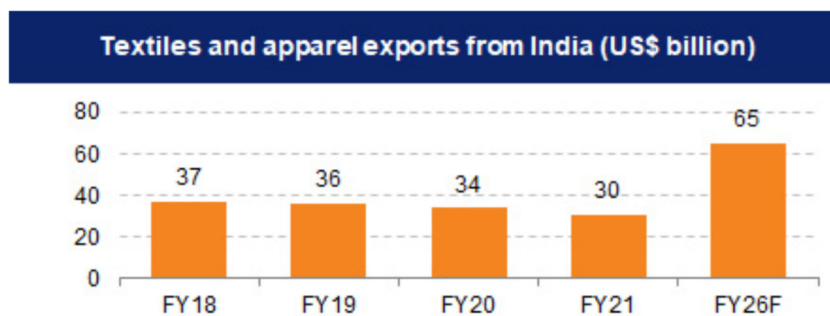
The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

India is the world’s largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22. Domestic consumption for the 2021-22 cotton season is estimated to be at 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. In FY23, exports of readymade garments (RMG) 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.

Production of fibre in India reached 2.40 MT in FY21 (till January 2021), while for yarn, the production stood at 4,762 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$138 billion to US\$195 billion by 2025.

India’s textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. During April-November in FY23, the total exports of textiles stood at US\$ 23.1 billion. India’s textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

India’s textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.



(Source:

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

GOVERNMENT INITIATIVES TO PROMOTE EXPORTS OF TEXTILE AND APPARELS:

Given the textile and apparel industry's importance in developing the Indian economy, the government has

announced several reforms to grow the industry and promote exports. Some of these reforms are mentioned below.

Development capital support will not exceed Rs. 500 crore (US\$ 62.6 million) for greenfield projects and Rs. 200 crore (US\$ 25 crore) for brownfield projects. Furthermore, the development capital support will be restricted to 30% of the project cost for the greenfield and brownfield projects. States with an encumbrance-free and contiguous land parcel of more than 1,000 acres as well as other textile and related facilities were invited to present applications. The parks will consist of the following infrastructure:

Establishment of Seven PM MITRA Parks: The government approved the establishment of seven Mega Integrated Textile Region and Apparel Parks, also called PM MITRA Parks, in the Union Budget for FY22. The parks will be set up at greenfield and brownfield sites across different states. PM MITRA is inspired by the Prime Minister's 5F vision i.e.:

- farm to fibre
- fibre to factory
- factory to fashion
- fashion to foreign

Development capital support will not exceed Rs. 500 crore (US\$ 62.6 million) for greenfield projects and Rs. 200 crore (US\$ 25 crore) for brownfield projects. Furthermore, the development capital support will be restricted to 30% of the project cost for the greenfield and brownfield projects. States with an encumbrance-free and contiguous land parcel of more than 1,000 acres as well as other textile and related facilities were invited to present applications. The parks will consist of the following infrastructure:

- Core Infrastructure consists of a plug and play facility, an incubation centre, roads, power, water, a waste system, a common processing house, and design and testing centres.
- Support infrastructure consists of workers' housing and hostel, warehousing, a logistics park, and medical, training and skill development facilities.

Production-Linked Incentive (PLI) Scheme: The government announced the PLI scheme for textile products to regain the country's dominance in the textile industry. The scheme is expected to create more than 7.5 lakh jobs directly and help companies emerge as global champions in the textile industry. The scheme plans to provide incentives worth Rs. 10,683 crore (US\$ 1.3 billion) over five years. It is also expected to promote investment in the industry by Rs. 19,000 crore (US\$ 2.4 billion) and increase production turnover by more than Rs. 3 lakh crore (US\$ 37.5 billion) in five years.

Besides the schemes mentioned above, the government has formulated initiatives by providing financial incentives in the form of subsidies and reduced taxes. The government, in 2021, scrapped the anti-dumping duty on PTA, a crucial raw material for manufacturing MMF and yarn. It also removed the anti-dumping duty on acrylic fibre, a raw material for yarn. The government also helps textile and apparel exporters under the Market Access Initiative Scheme.

OUTLOOK

The Indian textile and apparel industry is among the largest in the world. The industry benefits from the domestic availability of raw materials, a large manufacturing base, diversified and innovative products, and growing demand from domestic and international consumers. In terms of production, India is already a market leader in several industry segments, such as silk, cotton and jute production. In terms of exports, India recorded the highest textile exports in FY22, reaching US\$ 44.4 billion. Readymade garments and cotton textile comprise most of the country's textile and apparel exports. The government aims to reach US\$ 100 billion in textile exports by FY30 and has taken steps to achieve this ambitious target. Government schemes such as the establishment of PM MITRA Parks and the PLI scheme are expected to boost investment in the industry, contributing to significant growth in production, employment and exports. These measures will help India turn into a global market leader.

(Source: <https://www.ibef.org/blogs/the-textile-and-apparel-exports-of-india>)

E-COMMERCE INDUSTRY

- The Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second-largest e-commerce market in the world by 2034. India's e-commerce

sector is expected to reach US\$ 111.40 billion by 2025 from US\$ 46.20 billion in 2020, growing at a 19.24% CAGR, with grocery and fashion/apparel likely to be the key drivers of incremental growth. The Indian online grocery market is estimated to reach US\$ 26.93 billion in 2027 from US\$ 3.95 billion in FY21, expanding at a CAGR of 33%. By 2021, total e-commerce sales are expected to reach US\$ 67-84 billion from the US\$ 52.57 billion recorded in 2020.

- For the 2021 festive season, Indian e-commerce platforms generated sales worth US\$ 9.2 billion gross GMV (Gross Merchandise Value), a 23% increase from last year's US\$ 7.4 billion.
- The Indian e-commerce sector is ranked 9th in cross-border growth in the world, according to the Payoneer report. Indian e-commerce is projected to increase from 4% of the total food and grocery, apparel and consumer electronics retail trade in 2020 to 8% by 2025. As of November 2022, the GeM portal has served 12.28 million orders worth Rs. 334,933 crores (US\$ 40.97 billion) from 5.44 million registered sellers and service providers for 62,247 buyer organisations.
- India's social commerce has the potential to expand to US\$ 16–20 billion in FY25, at a CAGR of 55-60% with a potentially monumental jump to US\$ 70 billion by 2030, owing to high mobile usage. India's e-commerce order volume increased by 36% in the last quarter of 2020, with the personal care, beauty & wellness (PCB&W) segment being the largest beneficiary. Driven by the beauty and personal care (BPC), India's live commerce market is expected to reach a gross merchandise value (GMV) of US\$ 4-5 billion by 2025.
- Huge investments from global players such as Facebook, which is investing in Reliance Jio are being recorded in the e-commerce market. Google also reported its first investment worth US\$ 4.5 billion in Jio Platforms. This deal was followed by the purchase of Future Group by Reliance Retail, expanding the presence of the Ambani Group in the e-commerce space.
- Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration. The number of internet connections in 2021 increased significantly to 830 million, driven by the 'Digital India' programme. Out of the total internet connections, ~55% of connections were in urban areas, of which 97% of connections were wireless.
- Online penetration of retail is expected to reach 10.7% by 2024 compared with 4.7% in 2019. Moreover, online shoppers in India are expected to reach 220 million by 2025. According to a report published by IMAI and Kantar Research, India's internet users are expected to reach 900 million by 2025 from ~622 million internet users in 2020, increasing at a CAGR of 45% until 2025.
- India's overall smartphone market grew by 7% in 2021 with Samsung capturing the top position with a market share of 17% 2021. The number of smartphone users in India is expected to reach 887.4 million by 2030. India has the highest data consumption rate worldwide at 14.1 GB of data per person a month. By 2025, India will be home to 650 million users who consume short-form videos.
- The Government of India's policies and regulatory frameworks such as 100% Foreign Direct Investment (FDI) in B2B E-commerce and 100% FDI under automatic route under the marketplace model of B2C E-commerce are expected to further propel growth in the sector. As per the new FDI policy, online entities through foreign investment cannot offer the products which are sold by retailers in which they hold an equity stake.
- Through its Digital India campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025. It has formed a new steering committee that will look after the development of a government-based e-commerce platform. The new committee, set up by the Commerce Ministry, will provide oversight on the policy for the Open Network for Digital Commerce (ONDC), which is an e-commerce platform that the government is backing for the development. The ONDC will serve as the infrastructure for setting up the final storefront, which will be similar to Flipkart and Amazon.

(Source: <https://www.ibef.org/industry/ecommerce-presentation>)

BUSINESS OVERVIEW

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

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Restated Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no. 17, 108 and 135 respectively, of this Draft Prospectus.

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

Overview

Company Background

Our Company was originally incorporated as “Kizi Apparels Private Limited” at Jaipur, Rajasthan as a private limited company registered under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated March 24, 2023 bearing Corporate Identification Number U14109RJ2023PTC086522 issued by the Registrar of Companies, Central Registration Centre. Subsequently our Company was converted into a public limited Company, pursuant to a special resolution passed by the shareholders of our Company at the EGM held on July 21, 2023 and consequently the name of our Company was changed to “Kizi Apparels Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Jaipur dated August 09, 2023. The Corporate Identification Number of our Company is U14109RJ2023PLC086522.

Further, our Company acquired the business undertaking of the sole proprietorship Concern of our Promoter and Managing Director, Abhishek Nathani, i.e., M/s Aaika Creations, pursuant to Business Purchase Agreement Executed dated June 01, 2023 and Board Resolution passed at their board meeting held on June 03, 2023 and Special Resolution Passed at Members Meeting held on May 31, 2023.

Our journey so far

Our Company is led by our Promoter & Managing Director, Mr. Abhishek Nathani, who is in the field of garment designing, manufacturing and trading for last 6 year. He has established proprietorship concern in the name and style of M/s. Aaika Creations, in November, 2017. M/s. Aaika Creations was started with a vision to bring a wave in the manufacturing industry in terms of meeting the end-to-end requirement of our customers enhancing the overall quality parameters. In Aaika Creations, he started off with some small & medium sized brands which could give him some consistent business and also, he can place himself in the market with bigger brands. His first year was with full of struggle as he was in the process of getting the knowledge and intricacy of the business & its loop holes, however, he focuses on the business potentiality. In initial years of his business, he focused on building up a strong team and strengthening roots in the market, studying the scope and opportunities in the business.

As founders of the Company our promoter knew that he will have to build up a USP (Unique Selling Products) for our Company in order to sustain and grow in right direction in the market. According to his study and survey of the market he found that there is a huge gap in the demand and supply of premium quality products in the market. Our promoter explored further in this segment and found that our styling and workmanship matches the requirement of premium products and hence we started approaching brands who work on the similar line of products.

In 2019, by collaborating with the one of the India's leading brands, our promoter got his first step towards his mission and vision. We used to regularly supply to "Arvind Lifestyle Brand Limited. Because of his hard work and knowledge of the industry, we established our self in the market for the said brand in very short span. The collaboration with the leading brand was the key turning point for our promoter and his business journey started blooming within short period of time. Because of the success in one segment, to expand the business horizontally, our promoter has decide to launch first our own brand “ANUTARRA” in the women's ethnic wear segment.

As a part of further development, we have listed our products on most of the available E-commerce platforms in the F.Y. 2019-20. Due to our manufacturing unit, we could control the cost of the product and as result, we are able to provide the best quality product at a very affordable price in the market. This has created more demand for our products/brands in the market. In 2020 we collaborated with Reliance Retail & scaled up our business to a new height. When the most of the business in the whole world was severally affected due to Covid-19, our doors were opened for new businesses and we grew in terms of business volume.

In the year 2021, we became one regular manufactures of Reliance Retail. We have executed an Agreement and Non-Disclosure Agreement (NDA) with Reliance Retails Limited, Mumbai, on May 30, 2023 for a term of three years. In 2021, we have launched our women western wear brand by the name of “KIZI”. After market study, we understood the business dynamics by now and hence, we decided to launch our western wear segment as well, as it had a very consistent market. This gave us a wider publicity in the market and created our brand image in the market. In the year 2022, we have entered into distribution and wholesale network with our brands and consequently our sales increased to three times. This has helped us to captured the sizable share in the market for our Brands. We also provide facilities of job working for the renowned brands of India.

For effective cost control, we have tie ups with some of the major suppliers of raw materials required for our products. For fabric we have tie up with some of the certified mills from the state of origin of the fabric i.e. from Gujarat, Maharashtra and Tamil Nadu. Likewise, we procure our trims and accessories directly from the manufacturers, resulting our goods to be more cost effective. We usually tend to buy our raw materials when it is at the lower side as the greige fabric pricing keeps fluctuating due to the variance in yarn prices. As per our growth strategy, we also connected with the leading wedding collection brand of India.

We have also executed Products Supply agreement with M/s. Absolute Brands and Retails Private Limited (ABRPS), Banglore, vide Agreement dated June 05, 2023 for the supply of our products to the ABRPS on outright basis and ABRPS in turn sell the said products through its retail chain of store and through their E-Commerce Channel in India to the end customers. We have executed agreement for the supply of women wears which includes western wears and ethnic wears.

Similarly, we have entered in to an Agreement with M/s. Fab India Limited (FIL), New Delhi, vide Vendor Agreement (to Manufacture and Supply) dated June 21, 2023 for manufacturing of Branded products for FIL on Job Work basis under the brand name of “Fab India”.

To promote our own Brands: 1. “Anutarra” - an ethnic wear collection for the women and 2. “Kizi” – a western wear collections for the women, we have our own clientele based in Jaipur only, who purchase in bulk from our Company and sale our products in the local markets through their shops. We do our own sale through our own website also, where we have provided all the options available in the apparel along with the online payment facilities.

In recent, our Company has taken over the ongoing proprietorship concern namely M/s. Aika Creations. For more details regarding past three years financials of Proprietorship i.e. M/s. Aika Creations, please refer “Financial Performance of the Proprietorship Firm” mentioned under chapter titled “Business Overview” beginning on Page 69 of this Draft Prospectus.

Our Business Model:

Our operations are built around five core sectors:

B2B (White Label): We produce customized goods according to buyer specifications, crafting garments based on their designs and quality standards. These garments are then labeled with the customer's brand and distributed/delivered to their desired locations.

B2B (Our Own Brand): We supply products under our own brand to traders and wholesalers, offering designs selected by them.

Job Work (Cut to Pack): Utilizing buyer-supplied fabric, we manufacture garments according to their designs and branding requirements.

Value Addition to Semi-Finished Goods: We also enhance semi-finished goods through processes like manual embroidery, handwork, and buttoning, selling them to traders and wholesalers under our brand name.

D2C (Direct-to-Consumer): Our recently launched e-commerce platform offers premium ethnic and western women's apparel under our ANUTARRA and KIZI brands, respectively.


Our Products: -


Women are quite possessive with the kind of choices when it comes to their clothing & styling. Majorly, there are 2 different categories in which the women’s wear is divided, Ethnic & Western Wear. We as a Company understood the requirement & hence created two different brands with different categories to cater to the need of the women. We have two brands, ‘Anutarra” brand is for our ethnic women wear and “Kizi” is our western women wear.

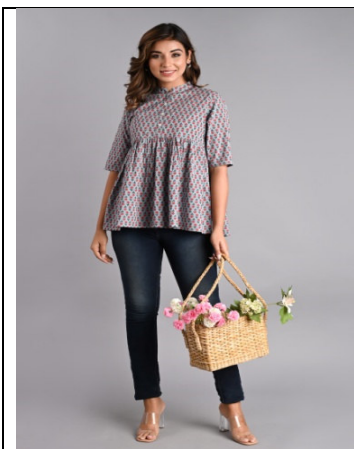
Women’s ethnic & western wear encompass two distinct yet equally significant realms of fashion, each reflecting cultural influences, personal styles and occasions.

Ethnic Wear: -

Ethnic wear celebrates the rich diversity of cultures and traditions around the world. In various countries ethnic wear plays an integral role in showcasing heritage and identity. Traditional outfits like sarees, salwar kameez, lehengas and anarkalis are cherished for their intricate craftsmanship, vibrant colors and attention to detail. These garments often reflect the history of wearers community and they are worn with pride during festive occasion, weddings and religious ceremonies. Ethnic wear is a manifestation of cultural continuity, bridging the gap between generations and preserving customs.

| | |
|--|---|
|  | <p>2 PC Kurta Sets: - A 2-piece kurta bottom set for women typically includes a kurta (also known as a kurti) and a matching bottom piece. The kurta is a traditional Indian or South Asian garment that is typically knee-length or longer and worn as a top. It can have various sleeve lengths and styles, including full sleeves, half sleeves, or sleeveless. The bottom piece can be either a pair of pants, known as salwar, or a skirt, known as a lehenga. Salwar is a loose-fitting trouser that tapers towards the ankles, while a lehenga is a skirt that can be either flared or straight-cut. Both options are commonly paired with kurtas to create a coordinated outfit.</p> |
|--|---|

| | |
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|  | <p>3 PC Kurta Set: - A 3-piece ethnic wear suit set for women typically includes a kurta (top), bottom, and dupatta (scarf). These sets are commonly worn for special occasions, festivals, weddings, or cultural celebrations or even casually. 3 PC Kurta set consists of: Kurta: The kurta, also known as a kurti, is the top piece of the suit set. It is a long, tunic-style garment that can vary in length, sleeve style, and neckline. The kurta is usually embellished with intricate embroidery, prints, or other decorative elements that reflect the cultural heritage and design aesthetic. Bottom: The bottom piece in an ethnic wear suit set can be a variety of options depending on the cultural influence and personal preferences. Some common choices include: Salwar: A loose-fitting trouser that tapers towards the ankles. Salwar is a popular choice for many South Asian and Indian ethnic wear suit sets. Churidar: A fitted trouser with extra fabric gathered at the ankles, creating a bunching effect. Palazzo: Wide-legged trousers that offer a comfortable and relaxed fit. They can be flared or straight-cut, depending on the style. Skirt: In some ethnic wear suit sets, a skirt may be included as the bottom piece. Skirts can vary in length, silhouette, and fabric, reflecting different cultural influences. Dupatta: The dupatta is a long scarf or stole that completes the suit set. It is often draped over the shoulder, wrapped around the neck, or used as a head covering. The dupatta can be embellished with embroidery, prints, or other decorative elements, and it adds an</p> |
|---|---|



Ethnic Tops: -
Ethnic tops are a fusion of cultural heritage and contemporary fashion, offering a stylish way to embrace tradition. These tops draw inspiration from various regions and traditions, showcasing intricate embroidery, vibrant prints, and unique detailing. They come in a range of styles, from classic blouses to modern tunics, and can be paired with traditional bottoms like skirts or pants, as well as with Western wear. Ethnic tops are a versatile choice, suitable for both casual outings and festive occasions. They allow individuals to express their cultural identity while staying on-trend, making them a must-have in every fashion-forward wardrobe.



Ethnic Gowns/Dresses: -
Ethnic gowns and dresses seamlessly blend traditional elegance with contemporary flair. These garments draw inspiration from diverse cultures, featuring intricate detailing, rich fabrics, and unique embellishments. From flowing gowns adorned with ethnic motifs to stylish dresses that incorporate traditional embroidery, they cater to a range of preferences. Ethnic gowns and dresses are popular choices for weddings, cultural events, and celebrations, allowing wearers to showcase their heritage while embracing modern silhouettes. With their ability to capture the essence of cultural roots and express personal style, these outfits are a captivating fusion of tradition and fashion-forward aesthetics.

Western Wear: -

Western wear is characterized by its contemporary and modern aesthetics. It encompasses a wide array of styles, from casual every day to sophisticated formal attire. Jeans, T-shirts, dresses, blouse, skirts and suits are all staples of western fashion. This category focuses on individual expression, embracing trends and personal tastes. Unlike ethnic wear, which is often deeply rooted in cultural traditions, western wear adapts to changing fashion paradigms and caters to diverse lifestyles. Its versatility makes it suitable for various occasions, from office settings to social gatherings, reflecting the fluidity and adaptability of western fashion.

In recent years, there has been a notable shift in fashion trends, with designers and consumers alike blending elements from ethnic and western wear to create fusion ensembles. This intersection of styles highlights the beauty of cultural exchange and innovation.

Ultimately, both ethnic and western wear hold their distinct places in the fashion landscape, catering to different needs, sensibilities and contexts.



Dresses: -

A dress for women is a garment that typically consists of a bodice (upper part) and a skirt (lower part) and is worn as a one-piece outfit. Dresses come in various styles, lengths, and designs, catering to different occasions, fashion trends, and personal preferences. Here are some types of dresses that we make: -

- 1. A-line dress:** This dress has a fitted bodice that gradually flares out in an "A" shape, creating a flattering silhouette.
- Sheath dress:** This dress is form-fitting and follows the natural shape of the body, often reaching knee-length or slightly below.
- 2. Maxi dress:** A long, flowy dress that typically reaches the ankles or floor. It is known for its casual, relaxed style and is often worn in warm weather or for special occasions.
- 3. Wrap dress:** This dress features a front closure that wraps around the body and is secured with a tie or belt. It is known for its versatility and ability to flatter different body types.
- 4. Shift dress:** A loose-fitting dress that hangs straight from the shoulders, without a defined waistline. It is comfortable and suitable for both casual and semi-formal occasions.
- 5. Cocktail dress:** Typically worn for semi-formal events, cocktail dresses are usually knee-length and can feature various designs, including fitted, flared, or bodycon styles.



Tops/ Tunics: -

Tops and tunics for women are versatile garments that can be worn with various bottoms to create stylish and comfortable outfits. Here's a breakdown of what they are:

Tops: Tops for women refer to a wide range of upper garments that can be worn on their own or layered with other pieces. Tops come in different styles, sleeve lengths, necklines, and cuts

Tunics: Tunics are longer tops that typically fall below the waist or hip area. They are often loose-fitting and have a relaxed, bohemian style. Tunics can be worn as standalone tops or paired with leggings, jeans, or skirts. They are known for their versatility and comfort. Tunics often feature embellishments, prints, or embroidery.

Tops and tunics are available in a wide range of designs, colors, and patterns to suit different personal styles, occasions, and body types.

Peplum tops: Peplum tops have a fitted bodice that flares out at the waist, creating a peplum silhouette. They are known for their feminine and flattering style and can be worn for both casual and more formal occasions, depending on the fabric and design.

Off-the-shoulder tops: These tops have a neckline that sits below the shoulders, exposing the collarbones and shoulders. They offer a trendy and flirty look and are often made with lightweight and flowy fabrics.

These are just a few examples of the different types of shirts for women. Shirts come in a wide array of designs, including different sleeve lengths, collar styles, and patterns. They offer versatility and can be styled in various ways to create different outfits for different settings, whether it's for work casual outings, or formal events



Shirts: -

Shirts for women are versatile garments that are designed to be worn on the upper body. They come in a variety of styles, cuts, and fabrics to suit different occasions and personal preferences. Here's a breakdown of what shirts for women typically entail:

Button-down shirts: These shirts feature a front closure with buttons running down the center. They often have a collar and can come in various sleeve lengths, such as long sleeves, short sleeves, or three-quarter sleeves. Button-down shirts can be made of different fabrics, ranging from crisp cotton for a formal look to softer materials like silk or chambray for a more casual or relaxed style

Blouses: Blouses are typically more feminine and dressier than casual shirts. They often have delicate details, such as ruffles, lace, or pleats. Blouses can come in various necklines, sleeve styles, and fabrics, offering a wide range of options for different occasions. They can be worn with skirts, trousers, or jeans, depending on the desired level of formality.

Products under developments:



Semi formal Blazers:

Semi-formal blazers offer a perfect balance between sophistication and versatility. These jackets are designed to seamlessly transition from office wear to more relaxed settings, such as cocktail parties or dinner dates. They come in a variety of colors and fabrics, allowing women to express their personal style while maintaining a polished look.

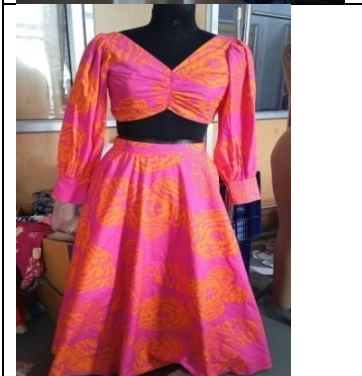
Semi-formal blazers often incorporate stylish details like peak lapels, contrasting buttons, or subtle patterns, adding a touch of flair to your ensemble. They can be worn with dress pants, tailored jeans, or even over a sheath dress, offering endless outfit possibilities. Whether you opt for a timeless black blazer or experiment with bold colors and textures, a semi-formal blazer is a versatile piece that helps you look effortlessly chic in a variety of social settings.



Co-ord Sets :-

Co-ord sets, short for coordinated sets, are the epitome of fashion simplicity and style cohesion. These matching ensembles have become a beloved trend in recent years, offering a hassle-free way to look put-together and chic.

A typical co-ord set consists of a top and bottom that share the same color, pattern, or fabric, creating a harmonious and visually pleasing outfit. The beauty of co-ord sets lies in their versatility - they can be found in various styles to suit different occasions.



Lehenga:-

Casual lehengas are a delightful fusion of tradition and contemporary style, designed for those moments when you want to look elegant without the formality of a full-fledged traditional outfit. These versatile garments capture the essence of Indian culture while offering comfort and ease.

Casual lehengas typically feature a more relaxed silhouette compared to their formal counterparts. They are often crafted from lightweight fabrics like cotton, linen, or georgette, making them ideal for casual gatherings, daytime events, or even everyday wear. These lehengas are known for their comfort, allowing you to move freely while maintaining a touch of grace.

Balance Sheet of M/s Aika Creations:

| Particulars | As on March 31 | | |
|-------------------------------|-----------------|---------------|---------------|
| | 2023 | 2022 | 2021 |
| Assets | | | |
| Fixed Assets | 40.50 | 44.41 | 49.74 |
| Investment | | 171.44 | 148.42 |
| Inventories | 480.15 | 268.29 | 153.05 |
| Trade Receivables | 534.46 | 78.58 | 82.29 |
| Cash & Bank Balances | 57.11 | 78.03 | 61.08 |
| Short Term Loans and Advances | 19.24 | | |
| Long Term Loans and Advances | 3.22 | 65.25 | 71.20 |
| Other Current Assets | | 14.16 | 8.47 |
| Total | 1,134.70 | 720.16 | 574.25 |
| Liabilities | | | |
| Proprietor Capital | 403.39 | 342.92 | 300.18 |
| Long-Term Borrowings | 128.65 | 133.65 | 191.55 |
| Short-Term Borrowings | 182.30 | 108.30 | 0.00 |
| Trade Payable | 396.43 | | |
| Other Current Liabilities | 5.36 | 131.53 | 81.41 |
| Short Term Provisions | 18.56 | 3.76 | 1.11 |
| Total | 1,134.70 | 720.16 | 574.25 |

(Certified by the Peer Reviewed Auditor M/s. DGMS & Co.; dated: October 18, 2023, UDIN: 23108456BGUDW04039)

Profit & Loss of M/s M/s Aika Creations:

| Particulars | As on March 31 | | |
|--|-----------------|---------------|---------------|
| | 2023 | 2022 | 2021 |
| Income | | | |
| Revenue from Operations | 1,548.05 | 498.92 | 231.21 |
| Other Income | 1.44 | 36.49 | 25.18 |
| Total (A) | 1,549.50 | 535.41 | 256.39 |
| Expenses | | | |
| Cost of Material Consumed | 998.48 | 378.55 | 183.89 |
| Employee Benefit Expenses | 162.96 | 53.24 | 21.85 |
| Finance Cost | 34.72 | 23.73 | 18.25 |
| Depreciation and Amortization Expenses | 6.75 | 7.13 | 2.35 |
| Other Total Expenses | 270.72 | 47.9 | 19.92 |
| Total (B) | 1,473.63 | 510.55 | 246.26 |
| Net Profit (A-B) | 57.30 | 24.86 | 10.12 |

(Certified by the Peer Reviewed Auditor M/s. DGMS & Co.; dated: October 18, 2023, UDIN: 23108456BGUDW04039)

Total Income:

The Proprietorship has recorded total income of ₹ 1549.50 lakhs for the year ended March 31, 2023 against ₹ 535.41 lakhs for the year ended March 31, 2022. The Proprietorship has recorded total income of ₹ 535.41 lakhs for the year ended March 31, 2022 against ₹ 256.39 lakhs for the year ended March 31, 2021.

Total Expenditure:

The Proprietorship has recorded total expense of ₹ 1473.63 lakhs for the year ended March 31, 2023 against ₹ 510.55 lakhs for the year ended March 31, 2022. The Proprietorship has recorded total expense of ₹ 510.55 lakhs for the year ended March 31, 2022 against ₹ 246.26 lakhs for the year ended March 31, 2021.

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The Proprietorship has recorded net profit of ₹ 57.30 lakhs for the year ended March 31, 2023 against ₹ 24.86 lakhs for the year ended March 31, 2022. The Proprietorship has recorded total income of ₹ 24.86 lakhs for the year ended March 31, 2022 against ₹ 10.12 lakhs for the year ended March 31, 2021.

Details of Normal Sale and Sale through E-Commerce platform.**(Rs. in Lacs)**

| Particulars | For the period ended 30th June, 2023 | | 2022-23 | | 2021-22 | | 2020-21 | |
|-------------------------|--------------------------------------|------------------|---------|------------------|---------|------------------|---------|------------------|
| | Rs. | % of total sales | Rs. | % of total sales | Rs. | % of total sales | Rs. | % of total sales |
| Off line sale | 464.66 | 99.65 | 1529.04 | 98.71 | 492.78 | 98.77 | 229.78 | 99.38 |
| Sale through Ecommerce | 1.65 | 0.35 | 20.02 | 1.29 | 6.14 | 1.23 | 1.42 | 0.62 |
| Revenue from Operations | 466.31 | 100.00 | 1549.06 | 100.00 | 498.92 | 100.00 | 231.22 | 100.00 |

Our Competitive Strength

Our core Competitive strength are the guiding principles that shape every aspect of our business:

Quality: Our commitment to delivering unmatched quality is non-negotiable. We believe in crafting garments that stand the test of time, reflecting the essence of our brand.

Innovation: We embrace innovation as a driving force, allowing us to evolve and adapt in a rapidly changing industry. Our dedication to staying ahead of the curve ensures that we bring fresh perspectives to fashion.

Integrity: Honesty and transparency are at the heart of our interactions with partners, customers, and stakeholders. We maintain the highest ethical standards in all our dealings.

Empowerment: Our purpose is to empower women through their clothing choices. We create apparel that boosts confidence and self-expression, encouraging women to embrace their uniqueness.

Partnership: We believe in fostering win-win partnerships that create lasting value for all parties involved. Building strong relationships based on trust and mutual respect is fundamental to our success.

Our Business Strategy**Strengthening our brands**

We intend to invest in developing and enhancing recognition of our brands in the market, through brand building efforts, communication and promotional initiatives such as advertisements in print media, hoardings, organizing events, participation in industry events, public relations and investor relations efforts. We have entered into agreement with some of the leading Indian Brands and digital commerce platforms, to enhance the visibility of our brands and strengthen our recognition.

Expanding Geographic Reach by E-Commerce

We sell our products through E Commerce platforms in India. Through these e-commerce websites, we have grown our business from Rajasthan to Pan India level. We ensure that all our products must trade on a similar price on e-commerce platform to ensure our customers trust in our prices and in our products. Our Company will continue exploring opportunities in various other parts of India where it can supply its products to enhance its geographic reach not only through e-commerce platform but also through local vendors. This will be a strategy that our Company will adopt in the near and middle term.

Continued focus on innovative designs

We are into women garmenting business, which requires creation of designs in terms of changing fashion. We have a team of designers and other facilities to come out with new designs, which make our garments more of a fashion product and thus proving better in terms of price realization. Our strategy is to further improvise on designs development. Presently, we are mainly into the development, manufacture and trade of women's wear. We intend to continue to be focused into women's wear and to add kids wear.

Develop cordial relationship with our Suppliers, Customer and employees

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us to build strong relationships over number of years. We bag and place repetitive order

with our customers as well as with our suppliers respectively. Currently our most of the clients and suppliers are local, so personal attention and contact can be taken care of, to built up two way strong relationship.

For us, establishing strong, mutually beneficial long-term relationships and strategic supplier relationship management are critical steps in improving performance.

Focus on dealing in quality standard products

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

Procurement Process of Raw Materials

We have designed our own procurement process which includes meticulous approach to sourcing the finest raw materials, setting the cornerstone for exceptional quality and unparalleled craftsmanship.

Our procurement process can be divided in to following major parts/phrases:

A. Identifying Raw materials need:

After detail analysis the quantity of raw materials is finalized orchestrated through meticulous process.

- **Quality Quest:** Our first step involves decoding the specific attributes of greige fabric essential for the planned design. We undertake research into elaborate details, meticulously defining the fabric's count, construction, and unique characteristics.
- **Quantifying Perfection:** We calculate the optimal quantity, aligning with the production volume and fabric consumption per garment. This ensures a seamless flow from concept to creation.
- **Strategic Choices:** Empowered by insights from departments like production, inventory, and quality control, we deliberate on the fabric's type and form – greige or printed. Our decision is rooted in comprehensive discussions, influenced by innovation with cost-effectiveness.

B. Evaluating Suppliers: Nurturing Partnerships for Success:

Our commitment to excellence is our topmost priority. The quest for superior suppliers unfolds through a strategic evaluation process:

- **Voyage of Discovery:** We focus on a quest to unearth potential suppliers, navigating the market landscape with precision.
- **A Tapestry of Excellence:** Every thread counts. We meticulously assess suppliers on the basis of different aspect– from quality standards and reliability to pricing and lead time.

C. Request for Quotation (RFQ): Weaving Threads of Communication:

Our journey takes a pivotal turn with the initiation of the “Request for Quotation” (RFQ) process:

- **Symphony of Specification:** Through the RFQ, we extend an invitation to selected suppliers. Our communication is a meticulously drafted together detailed Specifications – quantities, delivery dates, and terms that set the stage for collaboration.
- **Quotation Evaluations:** As responses pour in, we examine not just numbers, but the essence of each proposal. Fabric samples breathe life into the decision-making process.
- **Harmonizing the Notes:** Our experts engage in a symphony of comparison, evaluating each quotation against a backdrop of criteria – from pricing dynamics to the symphony of quality.
- **Negotiation:** We enter into deep discussions with our chosen partners, which includes Pricing, payment terms, and delivery schedules.
- **Purchase Order (PO) Creation:** A Purchase Order blooms once the terms are finalized, reflecting our harmonious agreement with the supplier.
- **Delivery by Supplier:**
 - (a) Unveiling Potential: Supplier deliveries align with our exacting standards, as each material parcel whispers tales of potential.
 - (b) Guardians of Excellence: Our laboratories meticulously test each fabric, ensuring it attains the crescendo of quality we demand.

Thus, our entire procurement process is designed in such a way, so that materials supplied to us, is of selected superior quality.

Manufacturing Process

The creation of women's wearing apparel involves a meticulously structured manufacturing process that transforms a design concept into a tangible garment ready for distribution. This process encompasses numerous steps, each contributing to the final product's quality, fit, and aesthetics. Below is an overview of the key stages involved in the manufacturing of women's wearing apparel:



1. Creation of Design

The journey begins with the design team conceptualizing and sketching the garment. This creative process involves envisioning the apparel's style, silhouette, and detailing. A tech pack is then prepared, including detailed drawings, design specifications, fabric selection, and garment measurements. This serves as a comprehensive guide for subsequent stages.



2. Pattern Making:

Based on the design and tech pack, a skilled pattern master develops paper templates known as patterns. These templates outline the various components of the garment, serving as a blueprint for cutting the fabric. Pattern-making ensures precision in shaping and sizing, which are critical for achieving consistent fit and style across different sizes.



3. Fit Sample:

A fit sample is crafted to evaluate the garment's measurements and fit on a dress form or mannequin. The quality and merchandising teams meticulously assess the fit sample against the tech pack specifications. If adjustments are required to enhance the fit, the pattern is modified accordingly.



4. PP (Pre-Production) Sample:

Upon receiving the fabric from the supplier, a pre-production sample is crafted. This sample represents the final product's **intended** quality and appearance. The quality and production managers scrutinize this sample to ensure it aligns with the desired standards. If the garment is being produced for a specific buyer, a PP sample is sent to them for approval.



5. Size Set:
After receiving approval for the PP sample, a size set is produced. This involves creating a single garment piece in each size offered for the product. These garments are subjected to a thorough review to verify consistency in design, fit, and sizing across all sizes.



6. Layering and Cutting:
With the size set approved, the fabric is layered for efficient cutting. The pattern templates guide the precise positioning of the fabric pieces. Each component is methodically numbered and bundled to ensure accuracy during the subsequent stitching phase.



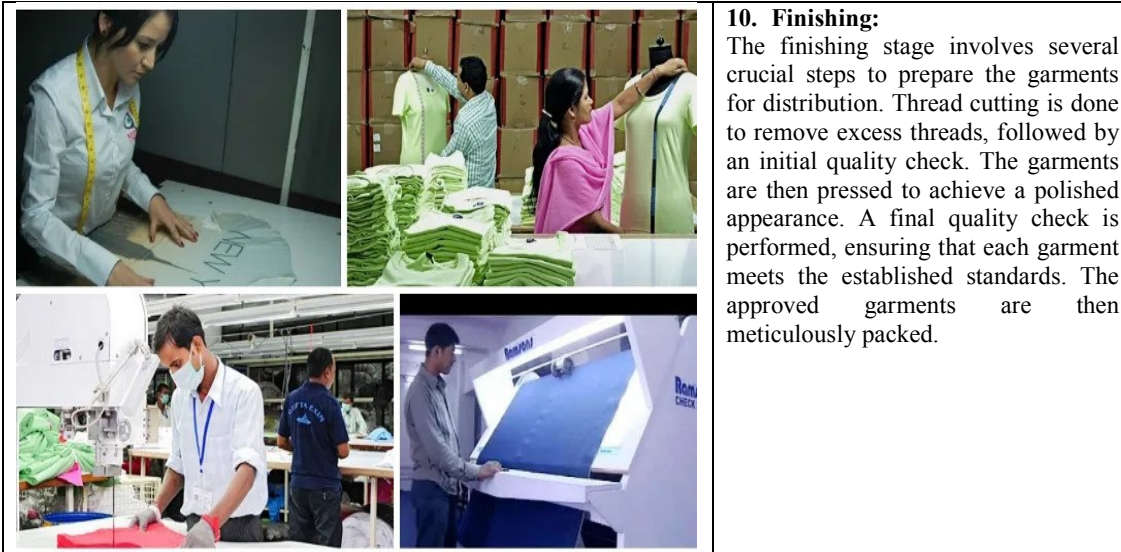
7. Stitching:
The cut fabric pieces are then sent for stitching, where skilled laborers assemble the garment. The production supervisor oversees the stitching process, addressing any queries or issues that arise. Some pieces are examined during stitching for inline quality checks



8. Checking of Stitched Garments:
Following stitching, all garments undergo a meticulous quality check. The quality checker assesses each piece for stitching precision, alignment, and other aesthetic and functional aspects. Any garments requiring alterations are sent back to the production line for corrections



9. Addition of Buttons and Accessories:
At this stage, buttons, zippers, and other accessories are added to the garment as per the design specifications. Attention to detail is crucial to ensure these components enhance both the garment's appearance and functionality.



10. Finishing:

The finishing stage involves several crucial steps to prepare the garments for distribution. Thread cutting is done to remove excess threads, followed by an initial quality check. The garments are then pressed to achieve a polished appearance. A final quality check is performed, ensuring that each garment meets the established standards. The approved garments are then meticulously packed.

11. Rejected Garments:

Throughout the manufacturing process, any garments that fail to meet the quality standards are identified and separated. These rejected garments are not included in the final product batch, ensuring that only garments of the highest quality are delivered to customers. We remove the brand logo from the rejected garments and then scrap the garments or sale it to the local vendors as an assorted product, the same is depends upon the terms with the respective brands.

In conclusion, the manufacturing process of women's wearing apparel is a meticulously orchestrated journey that involves creativity, precision, and attention to detail at every step. From the initial design concept to the final packed garment, each stage contributes to delivering garments that reflect the intended style, fit, and quality

Future Plan

As part of our expansion, we will be focusing on our E-commerce business more this year which will help us in achieving our revenue targets. We have just launched our E-commerce business through our Company's Website only. We also have plans to launch our first private label stores in very near future, which will give us a much wider platform for our business expansions. In near future we will be adding up kids wear & men wear category as well to our brands making us a complete family shop brand. To expand our products range, we focus on designing more and more stylish outfits, which are in trend now a days and for that we keep adding new designs and style of garments in our product list.

We have entered into supply agreement with some of the e-commerce players very recently. Through these e-commerce websites, we have grown our business from Rajasthan to Pan India level. We ensure that all our products must trade on a similar price on e-commerce platform to ensure our customers trust in our prices and in our products.

INFRASTRUCTURE FACILITIES AND UTILITIES LIKE WATER, ELECTRICITY, ETC.

Registered Office

H- 629 Phase - II RIICO Industrial Area, Sitapura, Jaipur, Jaipur Rajasthan – 302022 is well-equipped with internet, computer systems, security measures, communication systems, and other necessary facilities for the smooth functioning of our business.

Power

We meet our power requirements by purchasing electricity from JVVNL, with a current sanctioned limit of 100hp.

Water

Our water requirements are met through a bore well, used for domestic purposes by our employees. For drinking purposes, we source pure water from a trusted supplier on a daily basis.

Plant, Machinery, Technology, process Etc.

In our Company, for carrying out our manufacturing activities, we do not require heavy machineries, however, all the required machineries like Sewing Machines, Boiler, Fusing Machine and Jac Button Stitch machine, etc. are available in our premises.

E-Commerce

We have entered into agreements for selling our products through some of the leading Indian digital commerce players. Pursuant to such agreements, we sell our products to them at a price which is fixed as per the terms and conditions of the respective agreements. We do sell our products directly to our customers on our own brand name through our website as well as on other e-commerce platforms.

Collaborations, any Performance guarantee or assistance in marketing by the Collaborators

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

Human Resources

Human resource is an asset to any industry, sourcing and managing. We believe that our employees are the key to the success of our business. We focus on hiring, retaining employees who are skilled and having a prior experience in our field.

As on August 01, 2023, we have the total strength of 15 permanent employees in various departments other than Directors of the Company. The details of which is given below:

| Sr. No. | Particulars | Employees |
|----------------|-----------------------|------------------|
| 1) | Purchase and Store | 1 |
| 2) | Designing & Sampling | 4 |
| 3) | Production Department | 7 |
| 4) | Accountant | 1 |
| 5) | Company Secretary | 1 |
| 6) | Others | 1 |
| | Total | 15 |

We have not experienced any major strikes, work stoppages, labour disputes or actions by or with our employees, and we have good and cordial relationship with our employees.

Capacity and Capacity Utilization

Capacity Utilization: Our Company engages in the production of varied finished apparels, each with unique designs and complexities. The production process involves manual interventions at every step, dependent on the skills and efficiency of our employees and workers. Hence, predicting exact capacity and utilization is challenging.

Sales and Marketing Strategies

At KIZI Apparels, our marketing strategy is designed to effectively promote our brand and products, reaching both the Business-to-Business (B2B) and Direct-to-Consumer (D2C) segments. Our approach focuses on leveraging our strengths to maximize market exposure and drive sustainable growth. We got our orders from the giant organisation via our approach to their local offices and applying them via email. We also do mouth to mouth marketing for our own brands for our offline sales. The quality assurance and after sale service by the company are helpful in marketing our product. Looking to the present capacity of the business and the demand from the existing clients are more than the production, the company is not doing anything for marketing the product and service except we have done some social media marketing.

Intellectual Property Rights

For further details of the trademarks registered in the name of our Company and the applications made for registration, please refer “Government and Other Approvals” on page 146 of this Draft Prospectus.

Competition

We face significant competition from both organised and unorganised players. In a dynamic industry, we recognize the importance of understanding our competitors and positioning ourselves strategically. We continuously analyze the competitive landscape to refine our offerings and differentiate ourselves effectively.

1. **Competitor Analysis:** We conduct comprehensive research to identify key competitors, assess their strengths and weaknesses, and uncover emerging trends. This analysis informs our decision-making process.
2. **Differentiation:** We believe that innovation and unique value propositions set us apart. Whether it's through design, sustainability efforts, or customer service, we aim to offer something distinctive that resonates with our target audience.
3. **Continuous Improvement:** Our commitment to continuous improvement ensures that we remain agile and responsive to market shifts. Regularly gathering customer feedback and staying updated on industry advancements enable us to adapt and excel.

Export possibility and obligation

We do not have any export possibility and obligation.

Details of Immovable Property:

Company has taken following Properties on rent basis:

| Particulars | Details |
|-----------------------|--|
| Name of Licensor | Shubh Karan Dugar |
| Name of the Licensee | Kizi Apparels Private Limited |
| Address | H- 629 Phase - II RIICO Industrial Area, Sitapura, Jaipur, Jaipur Rajasthan – 302022 |
| Date of agreement | April 20, 2023 |
| Rent per month | Rs. 1,50,000 p.m. |
| Purpose | Registered Office and Factory for production |
| Area in Sq. Mtrs. | Approximately 700 Sq. mtrs |
| Duration of Agreement | 5 years w.e.f. 01/05/2023 to 5 yrs.30/04/2028 |

Insurance

| Particulars | Details |
|-------------------------------|--|
| Name of the Insurance Company | Universal Sompo General Insurance |
| Name of Insured | Kizi Apparels Private Limited |
| Policy No | 2900/70869822/00/000 |
| Type of Policy | Burglary Policy (Commercial) |
| Validity Period | 00:00 of 26/07/2023 To: 23:59 of 25/07/2024 |
| Premium Paid (Rs) | Rs.2,044 |
| Sum Insured | Rs. 5,50,00,000/- |
| Items Insured | Furniture, fixture, fittings, utensils and appliances used in your business and Stock in Trade |
| Insured Address | H-629, Sitapura Industrial Area, General Zone, Jaipur, Rajasthan (8) PIN - 302022 |

| Particulars | Details |
|-------------------------------|---|
| Name of the Insurance Company | Universal Sompo General Insurance |
| Name of Insured | Kizi Apparels Private Limited |
| Policy No | 2124/70869821/00/000 |
| Type of Policy | Universal Sompo Bharat Laghu Udyam Suraksha |

| | |
|-------------------|--|
| Validity Period | 00:00 of 26/07/2023 To: 23:59 of 25/07/2024 |
| Premium Paid (Rs) | Rs.47,668 |
| Sum Insured | As per the Table given below ¹ |
| Items Insured | Furniture, fixture, fittings, utensils and appliances used in your business and Stock in Trade |
| Insured Address | H-629, Sitapura Industrial Area, General Zone, Jaipur, Rajasthan (8) PIN - 302022 |

¹Gross Sum Insured Breakup:

| Sr.No. | Particulars of Property Insured | Sum Insured (in Rs.) |
|--------|--|----------------------|
| 1. | Plant And Machinery | 40,00,000 |
| 2. | Furniture & Fixtures, Fittings and other equipment | 10,00,000 |
| 3. | Raw Material | 1,50,00,000 |
| 4. | Stocks in Process | 1,50,00,000 |
| 5. | Finished Stock | 2,00,00,000 |
| 6. | Terrorism Risk | 5,50,00,000 |
| 7. | Earthquake Risk | 5,50,00,000 |

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Prospectus, the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the Income Tax Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page 146 of this Draft Prospectus.

The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designated nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Central and the State laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

APPLICABLE LAWS AND REGULATIONS

• BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Textiles Committee Act, 1963

The Textile Committee Act, 1963 was enacted in 1963 to provide for the establishment of a committee for ensuring the quality of textiles and textile machinery and for matters connected therewith. The Act prescribes for establishment of a textile committee (hereinafter referred to as the “Textile Committee”) with the general objective of ensuring a standard quality of textiles both for internal marketing and export purposes as well as standardisation of the type of textile machinery used for manufacture. In addition to the general objection as mentioned above, the function of the Textile Committee inter alia includes, to undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery, promotion of export of textile and textile machinery, establishing or adopting or recognising standard specifications for textile and packing materials used in the packing of textiles or textile machinery for purpose of export and internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials, specify the type of quality control or inspection which will be applied to textile or textile machinery, provide for training in the techniques of quality control to be applied to textiles or textile machinery, provide for inspection and examination of textiles, textile machinery and packing material used in the packing of textile and textile machinery, establishing laboratories and text houses for testing of textiles and data collection and such other matters related to the textile industry.

Textile Development and Regulation Order, 2001 (“Textile Order”)

The Central Government in exercise of the powers conferred upon it under section 3 of the Essential Commodities Act, 1955 and in supersession of the Textile (Development and Regulation) Order, 1993 brought in force the Textile Order. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles is required to maintain books of accounts, data and other records relating to the business in the matter of production, processing, import, export, supply, distribution, sale, consumption etc. and shall furnish such returns or information in respect to the business as and when required by the Textile Commissioner. The Textile Order confers upon the Textile Commissioner powers to issue directions by notification with the prior approval of Central Government to any manufacturer regarding the specification or class of textiles which shall not be manufactured, dyes and chemicals which shall not be used in the manufacture of textile, maximum and minimum quantity of textiles which shall be manufactured, maximum ex-factory or wholesale or retail price at which textiles shall be sold, markings to be made on textiles by manufacturers and the time and manner of such markings and direct the officer in charge of any laboratory to carry out or cause to be carried out such tests relating to any textiles as may be specified by the Textile Commissioner.

National Textile Policy, 2000

The National Textile Policy, 2000 (“NTP”) aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The objective is sought to be achieved by liberalising controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. In furtherance of its objectives, the strategic thrust of the NTP is on technological upgradation, enhancement of productivity, quality consciousness, product diversification, maximising employment opportunities, and so on. The NTP also envisages certain sector specific initiatives, including the sector of raw materials, spinning, weaving, power loom, handloom, jute and textile. The Policy also lays down certain delivery mechanisms for the implementation of the policy and to enable the Indian textile industry to realise its full potential and achieve global excellence.

Salient objective of NTP is as follows –

- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Develop a strong multi-fiber base with thrust on product up-gradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose, to revitalize the institutional structure;
- Make Information Technology (IT), an integral part of the entire value chain of textile;
- Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing; and
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non- Governmental Organizations in the fulfilment of these objectives, vide the NTP, the Government has conveyed its commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society.

The Micro, Small and Medium Enterprises Development Act, 2006

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

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

The revised definition is as under:

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

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

Consumer Protection Act, 2019 (“COPRA, 2019”)

COPRA, 2019 came into force on August 9, 2019, replacing the Consumer Protection Act, 1986. It has been enacted with an intent to protect the interests of consumers and to establish competent authorities in order to timely and effectively administer and settle consumer disputes. COPRA, 2019 provides for establishment of a Central Consumer Protection Authority to regulate, among other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. In order to address the consumer disputes' redressal mechanism, it provides a mechanism (three tier consumer redressal mechanism at national, state and district levels) for the consumers to file a complaint against a trader or service provider. COPRA, 2019 provides for penalty for, among others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for publishing false or misleading advertisements. The scope of the punitive restraint measures employed by the act include both – monetary penalties for amounts as high as ₹ 5.00 million to imprisonment which may extend to life sentences, for distinct offences under the act.

• BUSINESS RELATED LAWS

Rajasthan Shops and Commercial Establishment Act, 1958

The Rajasthan Shops and Commercial Establishments Act, 1958 and rules, are applicable to all the shops and commercial establishments in the whole of the Rajasthan State. This Act is enacted for the purpose of protecting the rights of employees. The Act provides regulations of the payment of wages, terms of services, work hours, rest intervals, overtime work, opening and closing hours, closed days, holidays, leaves, maternity leave and benefits, work conditions, rules for employment of children, records maintenance, etc. This Act ensures certain rights and privileges for employees working in shops and establishments. Any provision of this Act shall be an employee of the shop/establishment as of the date this Act came into force by any other law, contract, practice, or arbitral award, settlement, or binding contract applicable to the establishment. It takes effect for employers and employees of such facilities when such rights or privileges are in his favour over those granted to him under the Rajasthan Shops and Establishments Act.

The Factories Act, 1948

The Factories Act, a central legislation, extends to the whole of India. It is the principal legislation that governs the health, safety and welfare of factory workers. Under the Factories Act each state is empowered to issue its own rules for licensing and administering factories situated in such states ("Factories Rules"). Under the Factories Rules, prior to commencing any manufacturing process, a person needs to obtain a license to register such factory. Separate license needs to be obtained in respect of each premise where a factory is set up or proposed to be set up. The Factories Act defines a factory to cover any premises which employs 10 (ten) or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 (twenty) workers without the aid of power. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is prohibition on employing children below the age of 14 (fourteen) years in a factory.

Labour law legislations

The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- (i) Contract Labour (Regulation and Abolition) Act, 1970.
- (ii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- (iii) Employees' State Insurance Act, 1948.
- (iv) State wise labour welfare fund legislations.
- (v) Tax on Professions, Trades, Callings and Employments Act, 1976
- (vi) Minimum Wages Act, 1948.
- (vii) Payment of Bonus Act, 1965.
- (viii) Payment of Gratuity Act, 1972.
- (ix) Payment of Wages Act, 1936.
- (x) Maternity Benefit Act, 1961.
- (xi) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (xii) The Child Labour (Prohibition and Regulation) Act, 1986.
- (xiii) The Equal Remuneration Act, 1976.
- (xiv) Rights of Persons with Disabilities Act, 2016.

In addition to the aforementioned, the following labour codes have received the assent of the President of India, and will come into force as and when notified in the Gazette, pursuant to which the abovementioned Labour Legislations will be subsumed by the following labour codes:

The Code on Wages, 2019 (the “Wage Code”)

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Ministry of Labour and Employment vide notification dated December 18, 2020 notified certain provisions of the Wage Code. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The code proposes to provide for *inter alia* standards for health, safety and working conditions for employees of the establishments. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Code on Social Security, 2020 (“Social Security Code”)

The Social Security Code received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The new code proposes to set up a National Social Security Board and State Unorganized Workers Board to administer schemes for unorganized workers. The Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employee-employee work-arrangements (including in online and digital platforms such as ours), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits, old age protection, under schemes framed under the Social Security Code from time to time. Further, the Social Security Code provides that such schemes may *inter alia*, be partly funded by contributions from platforms such as ours. The provisions of this code will be brought into force on a date to be notified by the Central Government.

• LAW RELATED TO RELEVANT STATE

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments act, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

The Registration Act, 1908

Registration Act was introduced to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud. Registration lends inviolability and importance to certain classes of documents.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

The Indian Stamp Act, 1899

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

Transfer of Property Act, 1882

The Transfer of Property Act, 1882 (the "*T.P. Act*") governs the transfer of property, including immovable property, between natural persons excluding a transfer by operation of law. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The T.P. Act also provides for the rights and liabilities of the vendor and purchaser in case of a transaction relating to sale of property and the lessor and lessee if the transaction involves lease of land, as the case may be.

Sale of Goods Act, 1930

The Sale of Goods Act, 1930 (the "*Sale of Goods Act*") governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

• ANTI-TRUST LAWS

Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of

agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to ₹ 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

• GENERAL CORPORATE COMPLIANCE

The Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

The Arbitration and Conciliation Act, 1996

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

• TAX RELATED LEGISLATIONS

Income Tax Act, 1961 ("IT Act")

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or rules made thereunder depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by September 30 of each assessment year.

Goods and Service Tax (GST)

Rajasthan Goods and Services Tax Act, 2017

Central Goods and Services Tax Act, 2017

The Integrated Goods and Services Tax Act, 2017

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

Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. Besides, some goods and services would be under the list of exempt items.

• INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Patents Act, 1970
- The Copyright Act, 1957
- The Trade Marks Act, 1999
- Design Act, 2000

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

Designs Act, 2000

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

The Foreign Exchange Management Act, 1999

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

The Foreign Trade (Development and Regulation) Act, 1992 and the Rules framed thereunder

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

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

- **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930, The Indian Contract Act, 1872 are also applicable to the company.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as “Kizi Apparels Private Limited” at Jaipur, Rajasthan as a private limited company registered under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated March 24, 2023 bearing Corporate Identification Number U14109RJ2023PTC086522 issued by the Registrar of Companies, Central Registration Centre. Subsequently our Company was converted into a public limited Company, pursuant to a special resolution passed by the shareholders of our Company at the EGM held on July 21, 2023 and consequently the name of our Company was changed to “Kizi Apparels Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Jaipur dated August 09, 2023. The Corporate Identification Number of our Company is U14109RJ2023PLC086522.

Further, our Company acquired the business undertaking of the sole proprietorship Concern of our Promoter and Managing Director, Abhishek Nathani, i.e., M/s Aaika Creations, pursuant to Business Purchase Agreement Executed dated June 01, 2023 and Board Resolution passed at their board meeting held on June 03, 2023 and Special Resolution Passed at Members Meeting held on May 31, 2023.

Business and Management

For a description of our activities, services, technology, the growth of our Company and regional geographical segment in which our Company operates, please refer to chapters titled “Business Overview”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 69, 64, and 135 of this Draft Prospectus, respectively. For details of the management and managerial competence of our Company, please refer chapter titled “Our Management” on page 95 of this Draft Prospectus.

Changes in Registered Office

There is no change in registered office took place since incorporation of the company.

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

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

1. To manufacture, import, export, buy, sell and/or otherwise deal in all kinds of apparels, dresses, cloths, outfits, garments, textiles, fabrics, yarns, fibers, silk, cotton, hemp, jute, linen, fibers, woolens, acrylic, viscose, waste, silks, hemp, linen, suiting, shirting dress materials corduroy, carpet, blankets, curtains, ribbons, towels, handkerchiefs, scarves, tapestry, shawls, readymade garments, leather wears, leather goods, shoes, wearing apparels, neck-ties, gloves, overcoats, rain coats, rugs, cosmetics, wigs, sweaters, knitwear’s, hosiery goods, undergarments, dresses, embroideries, plastics, rubbers, canvas goods, village industries, cottage industries, home industries, handicrafts, brasswares, handlooms, antiques, decorators, hosiery, shoes, wearing apparels, dress material, umbrellas, mufflers, chesters, nets, socks, hats, belts, caps, bags, purses, sports goods, variety bags, buttons, zips, fasteners, buckles, cuff-links, pipings, borders, lining, supports, attachments, pads, hooks, accessories and tools, trims, synthetic polyester, polyethylene, polypropylene, silk, artificial silk, wool silk and all kinds of fashion & lifestyle products and accessories, synthetic artificial & natural fibers, nylon, rayon, jute and any other fibers or fibrous materials textiles substance allied product, by-products and substitutes for all or any of them and to treat and utilize any waste arising from any such manufacture production or process and blends and mix thereof and to participate in local, national and international trade fairs, fashion shows, exhibitions, seminars and other sales promotion schemes.

2. To carry on the business of readymade or made to measure garments, manufacturers, drapers and hosiers, clothes, dressmakers, customers, dress agents, tailors, and outfitters and as manufacturers of and dealers intapestry, needlework, neck ware, ties, collars, cuffs scarves, cells, tinsel and tinsel fabrics, and thread and all articles of wearing attire for personal or household use, decoration ornaments.

Amendments to the Memorandum of Association

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

- **Change in Name Clause**

Clause I of our Memorandum of Association was amended to reflect the change in the name of our Company from ‘Kizi Apparels Private Limited’ to “Kizi Apparels Limited’ pursuant to a special resolution passed by the shareholders of our Company at the EGM held on July 21, 2023

- **Change in Authorized Capital**

| Sr. | Date of | Type of | Particulars |
|-----|---------|---------|-------------|
|-----|---------|---------|-------------|

| No. | | Passing of Resolution | Meeting | |
|-----|--|-----------------------|--------------------------------|---|
| 1. | | May 29, 2023 | Extra Ordinary General Meeting | The authorized share capital of ₹ 50,00,000/- consisting of 5,00,000 Equity shares of ₹ 10 Each. was increased to ₹ 5,50,00,000/- consisting of 55,00,000 Equity shares of ₹10/- Each. |
| 2. | | June 29, 2023 | Extra Ordinary General Meeting | The authorized share capital of ₹ 5,50,00,000/- consisting of 55,00,000 Equity shares of ₹10/- Each. was increased to ₹ 8,00,00,000/- consisting of 80,00,000 Equity shares of ₹10/- Each |

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

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

Acquisition or divestments of business/undertakings, mergers and amalgamations

Except as stated hereunder, Our Company has neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation since Incorporation:

The company has acquired the business undertaking of the sole proprietorship i.e. M/s AAIKA CREATIONS, from our Promoter and Managing Director, Abhishek Nathani, as a going concern on a slump sale basis, pursuant to Business Purchase Agreement dated June 01, 2023 and Board Resolution passed at the board meeting held on June 03, 2023 and Special Resolution Passed at Members Meeting held on May 31, 2023.

Strategic Partners

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

Financial Partners

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

Time and Cost Overruns

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

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

For details pertaining to our services, capacity and capacity utilisation, entry in new geographies or exit from existing markets, please refer chapter titled "Business Overview" on page 69 of this Draft Prospectus.

Injunctions or Restraining Orders

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

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

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

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

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

Revaluation of assets

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

Subsidiaries and Holding Company

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

Joint Ventures

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

Shareholders' Agreements

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

Other Agreements

Our Company has not entered into any agreements other than those entered into in the ordinary course of business with Key Managerial Personnel or Directors or Promoters or any other employee of the issuer, either by themselves or on behalf of any other person and there are no material agreements before the date of this Draft Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

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

| Name, Father's Name, Address, Date of Birth, Age, Designation, Status, DIN, Occupation and Nationality | Other Directorships |
|--|---|
| Name: Abhishek Nathani Father's Name: Raj Kumar Nathani Address: 502, Shivgyan Heights, DCM Ajmer Road, Jaipur, Rajasthan-302019, India Date of Birth: October 01, 1979 Age: 44Years Designation: Managing Director Status: Executive Director DIN: 10086861 Occupation: Business Nationality: Indian Term: Five (5) years w.e.f. July 05, 2023 Original Date of Appointment: March 24, 2023 as Non-Executive Director of the company (since Incorporation) | - |
| Name: Kiran Nathani Father's Name: Premnath Sharma Address: Flat No-502, Shivgyan Heights, Nirman Nagar, DCM Main Ajmer Road, Jaipur, Rajasthan- 302019, India Date of Birth: July 10, 1988 Age : 35 Years Designation: Director Status: Executive Director DIN: 10086860 Occupation: Business Nationality: Indian Term: Retire by Rotation Original Date of Appointment: March 24, 2023 | - |
| Name: Rahul Sharma Father's Name: Premnath Sharma Address: R Ho 4 G No 16, Raj Valley, Paithan Road, Near Valley School, kanchnwadi, Devlai, Aurangabad, Maharashtra-431002 Date of Birth: April 18, 1992 Age: 31 Years Designation: Director Status: Non-Executive Director DIN: 10215352 Occupation: Business Nationality: Indian Term: Retire by Rotation Original Date of Appointment: June 24, 2023 as Additional Director | - |
| Name: Avani Shah Father's Name: Ashwinkumar Shah Address: 5, Sambhavnath Apartment, above Dena Bank, Jawaher chowk Sabarmati, Ahmedabad-380005. Date of Birth: July13, 1993 Age: 30 Years Designation: Independent Director Status: Non-Executive Director DIN: 09608898 Occupation: Professional Nationality: Indian Term: Five (5) years w.e.f. June 24, 2023 Original Date of Appointment: June 24, 2023 as Additional Director | 1. Nuutjob Limited 2. Bizotic Commercial Limited 3. Sunrest Lifescience Limited |

| | |
|--|---|
| Name: Juhi Sawajani Father's Name: Nilesh Kumar Sawajani Address: Thikadar pada, tittagarh, Balangir, Odisha- 767033 Date of Birth: August 26, 1996 Age: 27 Years Designation: Independent Director Status: Non-Executive Director DIN: 09811893 Occupation: Professional Nationality: India Term: Five (5) years w.e.f. June 24, 2023 Original Date of Appointment: June 24, 2023 as Additional Director | 1. Nuutjob Limited 2. Bizotic Commercial Limited 3. Sunrest Lifescience Limited |
|--|---|

Confirmations

As on date of this Draft Prospectus

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

Family Relationship between the Directors

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

Abhishek Nathani, Promoter & Managing Director of our Company is husband of Kiran Nathani, Director of the Company.

Kiran Nathani, Executive Director and Chief Financial Officer is sister of Rahul Sharma, Non-Executive Director of the company.

Arrangements with major Shareholders, Customers, Suppliers or Others

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

Service Contracts

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

Borrowing Powers of the Board

The Articles, subject to the provisions of Section 180(1)(c) of the Act authorizes the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a special resolution passed at the Extra-ordinary General Meeting held on July 06, 2023 in accordance with Section 180(1)(c) of the Act authorized the Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans taken from the company's bankers) shall not exceed ₹50.00 Crores.

Brief Profiles of Our Directors

Abhishek Nathani aged 44 years, is a Promoter and Managing Director of our Company. He has completed his Master of Business Administration in Logistics & Supply Chain Management in the year 2018 from the University of Petroleum Energy Studies, Dehradun, Uttarakhand and bachelor of commerce in the year 2001 from university of Calcutta. He also has Post Graduate Diploma in Business Management with dual specialization in Marketing and Finance in the year 2008 from All India council for Technical Education, New Delhi, He possesses more than 22 years of experience in the field of finance, marketing, strategic management, manufacturing and also has international exposure of more than 8 years. He plays an active role in formulating business strategies and effective implementation of the same.

Kiran Nathani aged 35 years, is a Director and Chief Financial Officer (CFO) of our Company. She has completed her Post Graduate Diploma in Management from National Institute of Management & Technology. She has more than 15 years in managing Marketing, Sales & HR Management, Strategic Planning, Key Accounts & Relationship Management, PR and Brand Promotion. She possesses a great quality of multi-tasking abilities in driving team efforts towards achievement of organizational goals. She is having expertise in recommending & implementing service improvements to create improved efficiency and effectiveness.

Rahul Sharma aged 31 years, is a Non-Executive Director of our Company. He has completed Bachelor of Technology from the Punjab Technical University in the year June 2016. He has worked with different organizations for designing and developing the best products in the market. He is having good command over cost calculation of the end product, which includes all processing cost, BOM cost. Overhead calculations, profit calculation and packaging cost.

Avani Shah, aged 30 years, is an Independent Director of the Company. She has completed Master degree of Commerce. She has more than 10 years of experience in the field of administration. Presently, she is working with Freight Corridor Corporation of India Limited, a Government of India Enterprise (undertaken by Ministry of Railway) in Ahmedabad since 02/05/2012 till date on contractual basis. She is associated with our company as an Independent Director.

Juhi Sawajani, aged 27 years, is an Associate member of Institute of Company Secretaries of India. She has also completed her Master degree of Commerce from Gujarat University in the 2019. Presently, she is working as a Company Secretary of Sky Textiles India Private Limited. She is well experienced in the field of secretarial compliances, GST and Trademark Registration. She is associated with our company as an Independent Director.

Compensation of Managing Directors and/or Whole-time Directors

Terms and conditions of employment of our Managing Director:

Abhishek Nathani has been appointed as Managing Director of our Company in the Extra-Ordinary General Meeting of the company held on July 06, 2023 for a period of Five (5) years commencing from July 05, 2023.

The remuneration payable is as follows:

| | |
|--|--|
| Name | Abhishek Nathani |
| Date of Agreement | July 06, 2023 |
| Period | Five (5) years commencing from July 06, 2023 |
| Salary | ₹ 2,00,000/- per month |
| Remuneration paid in FY 2022-23 | Not applicable |

Payment or benefit to Independent Directors of our Company

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

Shareholding of Directors in our Company

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

| Sr. No. | Name of the Directors | No. of Equity Shares | Percentage of Pre-Issue Capital (%) |
|----------------|------------------------------|-----------------------------|--|
| 1. | Abhishek Nathani | 51,51,300 | 99.81 |
| 2. | Kiran Nathani | 4,000 | 0.08 |
| 3. | Rahul Sharma | 500 | 0.01 |
| Total | | 51,55,800 | 85.29 |

Interests of our Directors

Our all-Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles.

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

The Non-Executive Directors are also members of the Company and are deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer *“Our Management - Shareholding of Directors in our Company”* beginning on page 95 of this Draft Prospectus.

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

Except as stated in the chapter *“Business Overview”* on page 69 of this Draft Prospectus and in the chapter *“Restated Financial Statement”* on page 108 none of our directors have any interest in the property proposed to be acquired by our Company

Except as disclosed in the section titled in *“Restated Financial Statements”* on page 108, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

For details with respect to loan to directors, please refer to chapter titled *“Restated Financial Statement”* on page 108 of this Draft Prospectus.

Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Prospectus or is intended to be paid or given to any of our Directors except the remuneration for services rendered.

Bonus or profit-sharing plan for the Directors

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

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

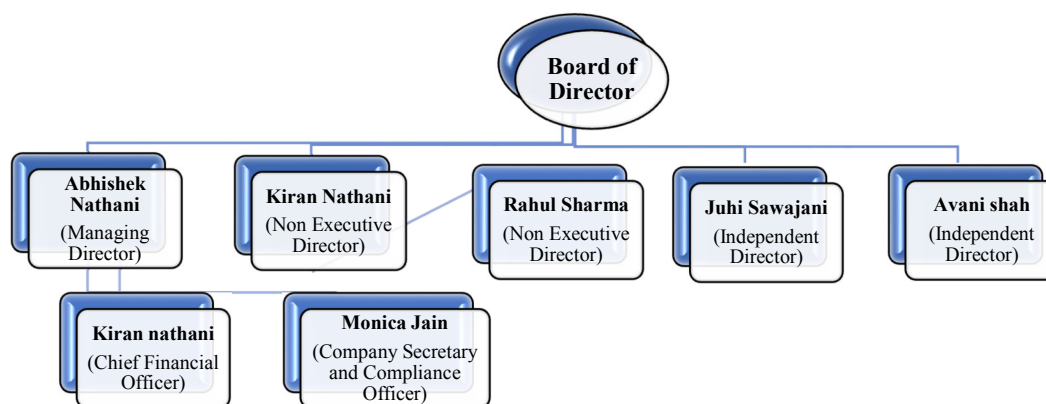
Following are the changes in the Board of Directors during the last three (3) years

| Name of Directors | Date of Appointment / Regularization | Nature of Change | Date of Change in Designation / Cessation | Reasons for changes in the Board |
|-------------------|--------------------------------------|-----------------------|---|--|
| Abhishek Nathani | - | Change in Designation | July 05, 2023 | Appointed as a Managing Director |
| Kiran Nathani | - | Change in Category | July 29, 2023 | Change in Designation category from Non-Executive Director to Executive Director |
| Avani Shah | June 29, 2023 | Regularization | | Regularized as Independent Director |
| Juhi sawajani | June 29, 2023 | Regularization | - | Regularized as Independent Director |
| Rahul Sharma | June 29, 2023 | Regularization | - | Regularized as a Non-Executive Director |
| Avani Shah | June 24, 2023 | Appointment | - | Appointment as Additional Independent Director |

| Name of Directors | Date of Appointment / Regularization | Nature of Change | Date of Change in Designation / Cessation | Reasons for changes in the Board |
|-------------------|--------------------------------------|------------------|---|--|
| Juhi sawajani | June 24, 2023 | Appointment | - | Appointment as Additional Independent Director |
| Rahul Sharma | June 24, 2023 | Appointment | - | Appointment as Additional Non-Executive Director |

Management Organization Structure

The following chart depicts our Management Organization Structure



COMPLIANCE WITH CORPORATE GOVERNANCE

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

Constitutions of Committees

Our Company has constituted the following committees:

1. Audit Committee

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on August 10, 2023 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and in view of the compliance of the Corporate Governance Provisions, and proposed applicable provisions of the SEBI (LODR) Regulation, 2015. The Audit Committee comprises following members.

| Name | Designation | Status in Committee |
|----------------------|----------------------|---------------------|
| Ms. Juhi Sawajani | Independent Director | Chairman |
| Ms. Avani Shah | Independent Director | Member |
| Mr. Abhishek Nathani | Managing Director | Member |

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

Terms of reference:

Role of Audit Committee

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

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Review of information by Audit Committee

The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. Statement of deviations:

- a. quarterly 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 offer document/prospectus/notice in terms of Regulation 32(7).

2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and in view of the compliance of the Corporate Governance Provisions, and proposed applicable provisions of the SEBI (LODR) Regulation, 2015 vide board resolution dated August 10, 2023. The constituted Stakeholders Relationship Committee comprises the following members:

| Name | Designation | Status in Committee |
|-------------------|------------------------|---------------------|
| Ms. Juhi Sawajani | Independent Director | Chairman |
| Ms. Avani Shah | Independent Director | Member |
| Mr. Rahul Sharma | Non-Executive Director | Member |

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

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

Terms of Reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and in view of the compliance of the Corporate Governance Provisions, and proposed applicable provisions of the SEBI (LODR) Regulation, 2015 vide board resolution dated August 10, 2023. The Nomination and Remuneration Committee comprises the following members:

| Name | Designation | Status in Committee |
|----------------------|----------------------|---------------------|
| Ms. Juhi Sawajani | Independent Director | Chairman |
| Ms. Avani Shah | Independent Director | Member |
| Mr. Abhishek Nathani | Managing Director | Member |

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

The terms of reference:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.
- 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.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

Our Key Managerial Personnel

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

Profiles of our Key Managerial Personnel

For the profile of Abhishek Nathani, Managing Director, please refer chapter titled “Our Management - Profile of our Directors” on page 95 of this Draft Prospectus.

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

| Name, Designation and Date of Joining | Qualification | Previous Employment | Overall Experience | Remuneration paid in previous year (2022-23) (₹ in Lakhs) | Status of employee |
|--|---|---|---------------------------|--|---------------------------|
| Monica Jain Company Secretary and Compliance Officer D.O.J-August 01, 2023 | Company Secretary From ICSI | GNRL Oil & Gas (I) Private Limited | 3 Years | - | Permanent Employee |
| Kiran Nathani Chief Financial Officer D.O.J-July 05, 2023 | Post Graduate Diploma in Management in human resources from National Institute of Management & Technology | CMB Building Maintenance & Investment Co. Ltd | 15 years | - | Permanent Employee |

Relationship amongst the Key Managerial Personnel of our Company

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

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

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

Bonus or profit-sharing plan of the Key Managerial Personnel

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

Shareholding of Key Management Personnel in our Company

None of our Key Managerial Personnel except Abhishek Nathani holds 51,51,300 Equity Shares and Kiran Nathani holds 4000 Equity Shares in our Company as on the date of filing of this Draft Prospectus. For further details, please refer to section titled “*Capital Structure*” beginning on page 43 of this Draft Prospectus

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

| Name of KMP | Designation | Date of Event | Reason |
|--------------------|--|----------------------|---|
| Kiran Nathani | Chief Financial Officer | July 05, 2023 | Appointed as Chief Financial Officer |
| Monica Jain | Company Secretary and Compliance Officer | August 01, 2023 | Appointed as Company Secretary and Compliance Officer |

For details with respect to the Changes in directors who are KMP, please refer to section titled “Changes in our Company’s Board of Directors during the last three (3) years” on page 95 of this Draft Prospectus.

Interest of Key Managerial Personnel

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

Employee Stock Option or Employee Stock Purchase

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


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

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

For further details, please refer section titled ‘*Restated Financial Statements*’ beginning on page 108 of this Draft Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

The Promoter of our Company is:

| | |
|---|---|
|  | <p>Abhishek Nathani aged 44 years, is the Managing Director of our company. Date of Birth: October 01, 1979 Personal Address: 502, Shivgyan Heights, DCM Ajmer Road, Jaipur, Rajasthan-302019, India. Permanent Account Number: ABJPN2410M For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements please refer chapter titled “Our Management” beginning on page 95 of this Draft Prospectus.</p> |
|---|---|

For details of the build-up of our Promoters’ shareholding in our Company, please see “**Capital Structure – Shareholding of our Promoter**” beginning on page no 43 of this Draft Prospectus.

Confirmations

We confirm that the details of the permanent account numbers, bank account numbers, passport numbers, aadhar card and driving license of our Promoter will be submitted to the Stock Exchange at the time of filing the Draft Prospectus with the Stock Exchange.

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

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

Other ventures of Promoter

Other than as disclosed in this section, our Promoter are not involved in any other ventures.

Change in the management and control of the Issuer

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

Relationship of Promoter with our directors

None of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013, Except Abhishek Nathani, Promoter & Managing Director of our Company is husband of Kiran Nathani, Director of the Company

Interest of Promoter

Our Promoter are interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings, Managing Director in our Company and the shareholding of their relatives in our Company and the dividend declared and due, if any, and employment related benefits, if any paid by our Company. For further details, please refer chapters titled “*Capital Structure*” and “*Our Management*” beginning on pages 43 and 95, respectively of this Draft Prospectus. For further details, please refer chapters titled “*Capital Structure - Shareholding of our Promoter and Promoter Group*” beginning on page 43 and “*Financial Statements*” on page 108, respectively of this Draft Prospectus.

Our Promoter are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoter are interested as a member or proprietor or partner, in cash or shares or otherwise by any person either

to induce our Promoter to become, or qualify him as a director, or otherwise for services rendered by our Promoter or by such firm or company in connection with the promotion or formation of our Company.

Interest in the properties of our Company

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

Interest as members of our Company

Our Promoters are interested to the extent of their shareholding, the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer chapter titled “*Capital Structure*” beginning on page 43 of this Draft Prospectus.

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

Other Interest

Our Promoter are not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company except the Business Purchase Agreement for acquiring the Proprietorship firm viz M/s Aaika Creations dated June 01, 2023 and 51,51,200 Equity Shares of the Company has been issued as consideration against the Acquisition of business.

Payment of benefits to our Promote

Except as stated in the *Annexure –29 “Related Party Transactions”* on page 129 there has been no payment of benefits to our Promoter during the two years preceding the filing of this Draft Prospectus.

Guarantees

Except as stated in the section titled “*Restated Financial Statements*” beginning on page 108 of this Draft Prospectus, respectively, there are no material guarantees given by the Promoter to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

Details of Companies / Firms from which our Promoter have disassociated

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

Our Promoter Group

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

A. Individual persons who are part of our Promoter Group

Promoters: Abhishek Nathani

| Relationship with Promoter | |
|----------------------------|--|
| Promoter | Abhishek Nathani |
| Father | Raj Kumar Nathani |
| Mother | Suchitra Nathani |
| Spouse | Kiran Nathani |
| Brother | - |
| Sister | Sunita Saraf, Anita Agarwal, Ajita Khaitan |
| Son | - |
| Daughter | Miss Anisha Nathani |
| Spouse's Father | Late Prem Nath Sharma |

| | |
|------------------|--------------|
| Spouse's Mother | Geeta Sharma |
| Spouse's Brother | Rahul Sharma |
| Spouse's Sister | - |

Companies, Proprietary concerns, HUF's related to our promoter

| Nature of Relationship | Entity |
|---|-----------------------------|
| Any body corporate in which twenty per cent. or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or Hindu Undivided Family in which the promoters or any one or more of their relative is a member | - |
| Anybody corporate in which a body corporate as provided in above holds twenty per cent. or more, of the equity share capital; and | - |
| Any Hindu Undivided Family or firm in which the aggregate share of the promoters and their relatives is equal to or more than twenty per cent. of the total capital; | Raj kumar Nathani & Son HUF |

For further details on our Promoter Group refer Chapter Titled "Financial Information of our Group Companies" beginning on page no.148 of Draft Prospectus.

DIVIDEND POLICY

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

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

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see “Financial Indebtedness” on page 138. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

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

Section VI – Financial Information
Independent Auditor’s Examination Report on Restated Financial Statements

To,
The Board of Directors,
Kizi Apparels Limited
H- 629 Phase - II RIICO Industrial Area,
Jaipur, Rajasthan - 302022

Dear Sir/Ma’am,

1. We have examined the attached Restated Financial statements and other financial information of **Kizi Apparels Limited**, (formerly known as **Kizi Apparels Private Limited**) (the “Company”) as at for the period ended June 30, 2023 and for the year ended on March 31, 2023 annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Prospectus / Prospectus (being collectively referred as “Offer Document”) in connection with its proposed Initial Public Offer (“IPO”) on the SME Platform of the BSE Limited (“BSE”).
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of :
 - i) Section 26 of Part I of Chapter III of the Companies Act, 2013(“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“Guidance Note”).
 - iv) The applicable regulation of SEBI (ICDR) Regulations, 2018, as amended, and as per Schedule VI (Part A) (11) (II) of the said Regulations.
 - v) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and,

The Company’s Board of Directors is responsible for the preparation of the Restated Financial Statement & other Financial information for the purpose of inclusion in the Draft Prospectus / Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies of Jaipur in connection with the proposed IPO. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

We have examined the accompanied the ‘Restated Statement of Assets and Liabilities’ (Annexure- 1), ‘Restated Statement of Profit and Loss’ (Annexure – 2), “Restated Statement of Cash Flows” (Annexure 3) for the financial years ended on March 31, 2023, and period ended on June 30, 2023 as on above dates, forming Part of the ‘Financial Information’ dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies (Annexure – 4) thereon, which are the responsibility of the Company’s management. The information has been extracted from the Financial Statements of the company for the financial year ended on March 31, 2023 and for the period ended June 30, 2023. The Financial Statements of the company financial year ended on March 31, 2023 financials for the stubbed period June 30, 2023 are audited by M/s. D G M S & Co., Chartered Accountants, being the Statutory Auditor of the Company (Peer Review), which were approved by the Board of Directors as on that date and upon which we have placed our reliance while reporting.

3. In terms of Schedule VI (Part A)(11)(II)(A)(i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of **Kizi Apparels Limited**, we, M/s. D G M S & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

4. Based on our examination, we report that:
- a. The “Restated Financial Statement of Assets and Liabilities” as set out in **Annexure 1**, Restated Financial Statement of Profit and Loss” as set out in **Annexure 2**, “Restated Financial Statement of Cash Flows” as set out in **Annexure 3**, to this report, of the Company as at March 31, 2023 and as at June 30, 2023 is prepared by the Company and approved by the Board of Directors. These Restated Financial Statements have been arrived at after making such adjustments and regroupings to the Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies as set out in **Annexure 4** & and Notes to Accounts to this Report.
 - b. The Restated Financial Statements have been made after incorporating adjustments for:
 - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amount in the respective financial years to which they relate.
 - iii. do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Statement and do not contain any qualification requiring adjustments;
 - iv. Restated Summary Statement of Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts to this report;
 - v. Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies;
 - vi. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
 - c. The audit reports on the Financial Statements of the Company as at and for years ended March 31, 2023 as referred in paragraph 3 above, expresses an unmodified opinion for the years ended March 31, 2023 and for the period ended June 30, 2023.
 - i. No Other adverse remarks/comments in the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (11) of section 143 of the act, on financial statements of the company for the financial years ended March 31, 2023, June 30, 2023.
5. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

Annexure of Restated Financial Statements of the Company:-

- i. Statement of Equity Share Capital, as restated (Annexure – 5)
- ii. Statement of Reserves & Surplus, as restated (Annexure - 6)
- iii. Statement of Long Term Borrowings, as restated (Annexure - 7)
- iv. Statement of Short Term Borrowings, as restated (Annexure - 8)
- v. Statement of Nature and terms of repayment for borrowings, as restated (Annexure – 8.1)
- vi. Statement of Trade Payables, as restated (Annexure - 9)
- vii. Statement of Other Current Liabilities, as restated (Annexure - 10)
- viii. Statement of Short Term Provisions, as restated (Annexure -11)
- ix. Statement of Property, Plant and Equipment, as restated (Annexure -12)
- x. Statement of Long Term Advances, as restated (Annexure – 13)
- xi. Statement of Inventories, as restated (Annexure – 14)
- xii. Statement of Trade Receivables, as restated (Annexure - 15)
- xiii. Statement of Cash and Cash Equivalents, as restated (Annexure - 16)
- xiv. Statement of Short Terms Loans and Advances, as restated (Annexure - 17)
- xv. Statement of Other Current Assets, as restated (Annexure - 18)

- xvi. Statement of Contingent Liabilities, as restated (Annexure - 19)
- xvii. Statement of Revenue from Operations, as restated (Annexure – 20)
- xviii. Statement of Particular of Sale of Products/Services, as restated (Annexure – 20.1)
- xix. Statement of Particular Cost of Material Consumed, as restated (Annexure – 21)
- xx. Statement of Changes in inventories of Stock-in-Trade, as restated (Annexure - 22)
- xxi. Statement of Employee benefits expense, as restated (Annexure - 23)
- xxii. Statement of Finance Cost, as restated (Annexure - 24)
- xxiii. Statement of Depreciation and amortization expense, as restated (Annexure - 25)
- xxiv. Statement of Other Expenses, as restated (Annexure - 26)
- xxv. Statement of Payment to Auditor, as restated (Annexure – 26.1)
- xxvi. Statement of Deferred Tax Assets/Liability, as restated (Annexure - 27)
- xxvii. Statement of Reconciliation of Restated profit (Annexure – 28)
- xxviii. Statement of Related Party Transactions, as restated (Annexure - 29)
- xxix. Statement of Summary Accounting Ratios, as restated (Annexure - 30)
- xxx. Statement of Tax Shelter, as restated (Annexure -31)
- xxxi. Statement of Capitalization, as restated (Annexure - 32)
- xxxii. Statement of Ratio Analysis, as restated (Annexure - 33)

6. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure 1 to 33 read with the significant accounting policies and notes to the restated Financial Statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited Financial Statements for the relevant years.

7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the Financial Statements referred to therein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For M/s. D G M S & Co.,
Chartered Accountants
FRN: 0112187W**

**Sd/-
CA Shashank P. Doshi
Partner
Membership No: 108456
Place: Jamnagar
Date: October 12, 2023
UDIN: 23108456BGUDVX7833**

Annexure 1: RESTATED STATEMENT OF ASSETS & LIABILITIES
(Rs. In Lakhs)

| Particulars | | Annexure No. | As at 30th June 2023 | As at 31st March 2023 |
|-------------|--|--------------|----------------------|-----------------------|
| I. | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 5 | 516.12 | 1.00 |
| | (b) Reserves and surplus | 6 | 20.63 | - |
| 2 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 7 | 67.01 | - |
| | (b) Deferred tax liabilities (Net) | 27 | 0.04 | - |
| | (c) Long-term Provisions | | - | - |
| 3 | Current liabilities | | | |
| | (a) Short-term borrowings | 8 | 257.62 | - |
| | (b) Trade payables | 9 | | |
| | Total outstanding dues of micro enterprises and small enterprises | | - | - |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | | 428.51 | - |
| | (c) Other current liabilities | 10 | 5.91 | - |
| | (d) Short-term provisions | 11 | 25.40 | - |
| | TOTAL | | 1,321.23 | 1.00 |
| II | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property Plant and Equipments | | | |
| | (i) Tangible assets | 12 | 38.84 | - |
| | (ii) Intangible Assets | 12 | 108.94 | - |
| | (iii) Capital Work in Progress | | - | - |
| | Total | | 147.78 | - |
| | (b) Non Current Investments | | - | - |
| | (c) Long-term loans and advances | 13 | 3.52 | - |
| | (d) Other Non Current Assets | | - | - |
| | (e) Deferred Tax Assets | | - | - |
| 2 | Current assets | | | |
| | (a) Inventories | 14 | 483.91 | - |
| | (b) Trade receivables | 15 | 650.92 | - |
| | (c) Cash and cash equivalents | 16 | 17.54 | - |
| | (d) Short-term loans and advances | 17 | 17.56 | - |
| | (e) Other Current Assets | 18 | - | 1.00 |
| | TOTAL | | 1,321.23 | 1.00 |

Accounting Policies & Notes on Accounts As per our Report on Even date attached
For D G M S & Co.
For, Kizi Apparels Limited
Chartered Accountants
Sd/-
Sd/-
Sd/-
Shashank P. Doshi
Abhishek Nathani
Kiran Nathani
Partner
Managing Director
Director & CFO
M. No. 108456
DIN: 1008686
DIN: 10086860
FRN No. 0112187W
Place : Jamnagar
Sd/-
Date : October 12, 2023
Monica Jain
UDIN: 23108456BGUDVX7833
Company Secretary

Annexure: 2 RESTATED STATEMENT OF PROFIT & LOSS

(₹ in Lakhs)

| Particulars | | Annexure No. | For the year ended 30th June 2023 | For the year ended 31st March 2023 |
|-------------|---|--------------|-----------------------------------|------------------------------------|
| I. | Revenue from operations | 20 | 470.21 | - |
| II. | Other income | | - | - |
| III. | Total Income (I + II) | | 470.21 | - |
| IV. | Expenses: | | | |
| | Cost of Material Consumend | 21 | 244.59 | - |
| | Changes in inventories of Finished Goods and Work in Progress | 22 | 128.50 | - |
| | Employee benefits expense | 23 | 17.37 | - |
| | Finance costs | 24 | 13.09 | - |
| | Depreciation and amortization expense | 25 | 4.46 | - |
| | Other expenses | 26 | 35.70 | - |
| | Total expenses | | 443.71 | - |
| V. | Profit before tax (III-IV) | | 26.50 | - |
| VI | Tax expense: | | | |
| | (1) Current tax | | 5.84 | - |
| | (2) Deferred tax | | 0.04 | - |
| | (3)MAT Credit Entitlement | | - | - |
| VII | Profit (Loss) for the period (V-VI) | | 20.63 | - |
| VIII | Earnings per equity share: | | | |
| | (1) Basic (Adjusted) | | 0.40 | - |
| | (2) Diluted (Adjusted) | | 0.40 | - |

Accounting Policies & Notes on Accounts As per our Report on Even date attached

For D G M S & Co.

Chartered Accountants

Sd/-

Shashank P. Doshi

Partner

M. No. 108456

FRN No. 0112187W

Place : Jamnagar

Date : October 12, 2023

UDIN: 23108456BGUDVX7833

For, Kizi Apparels Limited

Sd/-

Abhishek Nathani

Managing Director

DIN: 1008686

Sd/-

Monica Jain

Company Secretary

Sd/-

Kiran Nathani

Director & CFO

DIN: 10086860

Annexure : 3 RESTATED STATEMENT OF CASHFLOW

(₹ in Lakhs)

| Particulars | For the year ended 30th June 2023 | For the year ended 31st March 2023 | | |
|---|--------------------------------------|---------------------------------------|--------|---------------|
| Cash flow from Operating Activities | | | | |
| Net Profit Before tax as per Statement of Profit & Loss | | 26.50 | | - |
| Adjustments for : | | | | |
| Depreciation & Amortisation Exp. | 4.46 | | - | |
| Finance Cost | 13.09 | 17.55 | - | - |
| Operating Profit before working capital changes | | 44.05 | | - |
| Changes in Working Capital | | | | |
| Dec/(Inc) Trade receivable | (650.92) | | - | |
| Dec/(Inc) Other Loans and advances receivable | (17.56) | | - | |
| Dec/(Inc) Other Current Assets | 1.00 | | (1.00) | |
| Inc/(Dec) Trade Payables | 428.51 | | - | |
| Inc/(Dec) Other Current Liabilities | 5.91 | | - | |
| Inc/(Dec) Inventories | (483.92) | | - | |
| Inc/(Dec) Short term Provisions | 25.40 | | - | |
| | | (691.58) | | (1.00) |
| Net Cash Flow from Operation | | (647.53) | | (1.00) |
| | | | | |
| Less : Income Tax paid | | 5.84 | | - |
| | | | | |
| Net Cash Flow from Operating Activities (A) | | (653.37) | | (1.00) |
| Cash flow from investing Activities | | | | |
| Purchase of Fixed Assets/Goodwill from takeover | (152.23) | | - | |
| Movement in Loans & Advances | (3.52) | | - | |
| | | (155.75) | | - |
| Net Cash Flow from Investing Activities (B) | | (155.75) | | - |
| Cash Flow From Financing Activities | | | | |
| Proceeds From long Term Borrowing (Net) | 67.01 | | - | |
| Short Term Borrowing (Net) | 257.62 | | - | |
| Interest Paid | (13.09) | | - | |
| Issue of Shares | 515.12 | 826.66 | 1.00 | 1.00 |
| Net Cash Flow from Financing Activities (C) | | 826.66 | | 1.00 |
| Net (Decrease)/ Increase in Cash & Cash Equivalents(A+B+C) | | 17.54 | | - |
| Opening Cash & Cash Equivalents | | - | | - |
| Cash and cash equivalents at the end of the period | | 17.54 | | - |
| Cash And Cash Equivalents Comprise : | | | | |
| Cash | | 16.06 | | - |
| Bank Balance : | | | | |
| Current Account | | 1.48 | | - |
| Deposit Account | | - | | - |
| Total | | 17.54 | | - |

Accounting Policies & Notes on Accounts As per our Report on Even date attached

For D G M S & Co.

For, Kizi Apparels Limited

Chartered Accountants

Sd/-

Sd/-

Sd/-

Shashank P. Doshi

Abhishek Nathani

Kiran Nathani

Partner

Managing Director

Director & CFO

M. No. 108456

DIN: 1008686

DIN: 10086860

FRN No. 0112187W

Place : Jamnagar

Sd/-

Date : October 12, 2023

Monica Jain

UDIN: 23108456BGUDVX7833

Company Secretary

Annexure: - 1 Significant accounting policies:

1.0 Corporate Information

Kizi Apparels Limited is a Limited Company, incorporated under the provisions of Companies Act, 2013 and having CIN: U14109RJ2023PLC086522. The Company is mainly engaged in the business of Manufacturing and trading business of women garments. The Registered office of the Company is situated H – 629 Phase _ II, RIICO Industries Area, Jaipur, Rajasthan - 302022.

1.1 Basis of preparation of financial statements

a. Accounting Convention: -

These financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (“Indian GAAP”). Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with the Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the Historical Cost Convention, and the Companies (Accounting Standards) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013.

The restated financial information has been prepared for inclusion in the Draft Prospectus and Prospectus ("DP" or "P" "offer document") to be filed by the Company with the Securities and Exchange Board of India (“SEBI”), Stock Exchange (SE) and other regulatory bodies in connection with proposed Initial Public Offering of its equity shares of face value of Rs 10 each of the Company comprising a fresh issue of equity shares (the “Issue”), in accordance with the requirements of:

- Section 26 of part I of Chapter III of the Act
- relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2018, issued by the Securities and Exchange Board of India (“SEBI”) as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”).

The Restated financial information have been compiled from:

- The audited financial statement of the Company as at March 31, 2023 which have been approved by the Board of Directors at their meeting held on 24nd August, 2023.
- The audited financial statement of the Company as at June 30, 2023 which have been approved by the Board of Directors at their meeting held on 30th September, 2023.
- The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

b. Functional and Presentation Currency

The functional and presentation currency of the company is Indian rupees. This financial statement is presented in Indian rupees.

All amounts disclosed in the financial statements and notes are rounded off to lakhs the nearest INR rupee in compliance with Schedule III of the Act, unless otherwise stated.

Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

c. Use of Estimates and Judgments

The preparation of financial statement in conformity with accounting standard requires the Management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affects the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statement and reported amounts of revenue and expenses during the period. Accounting estimates could change form period to period. Actual result could differ from those estimates. As soon as the Management is aware of the changes, appropriate changes in estimates are made. The effect of such changes are reflected in the period in which such changes are made and, if material, their effect are disclosed in the notes to financial statement.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected.

d. Current and Non - Current Classification

An asset or a liability is classified as Current when it satisfies any of the following criteria:

- i. It is expected to be realized / settled, or is intended for sales or consumptions, in the Company's Normal Operating Cycle;
- ii. It is held primarily for the purpose of being traded.
- iii. It is expected to be realized / due to be settled within twelve months after the end of reporting date;
- iv. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as Non - Current.

For the purpose of Current / Non - Current classification of assets and liabilities, the Company has ascertained its operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of the assets or liabilities for processing and their realization in Cash and Cash Equivalents.

1.2 Basis of Preparation

a) Property, Plant & Equipment and Intangible Assets:-

- i. The company has adopted Cost Model to measure the gross carrying amount of Property Plant & Equipment.
- ii. Tangible Property Plant & Equipment are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.
- iii. Intangible assets are stated at the consideration paid for acquisition and customization thereof less accumulated amortization.
- iv. Cost of fixed assets not ready for use before the balance sheet date is disclosed as Capital Work in Progress.
- v. Cost of Intangible Assets not ready for use before the balance sheet date is disclosed as Intangible Assets under Development.

b) Depreciation / Amortisation :-

Depreciation has been provided under Written down Method at the rates prescribed under schedule III of the Companies Act, 2013 on single shift and Pro Rata Basis to result in a more appropriate preparation or presentation of the financial statements.

In respect of assets added/sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule II.

Intangible assets being Software and Website are amortized over a period of its useful life on a straight-line basis, commencing from date the assets is available to the company for its use.

c) Impairment of Assets:-

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

d) Investments:-

- Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.
- On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is

acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. There are no investment made by Company.

- Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognise a decline, other than temporary, on an individual investment basis.
- Current investments are carried in the financial statements at lower of cost and market value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- Long term investments which are expected to be realized within twelve months from the balance sheet date are presented under 'current investments' as 'current portion of long term investments' in accordance with the current / noncurrent classification of investments as per Schedule III Division I of the Companies Act, 2013.
- The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
- Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the 'weighted average cost' method is followed.

e) Government Grants and Subsidies:-

The Company is entitled to receive any subsidy from the Government authorities or any other authorities in respect of manufacturing or other facilities are dealt as follows:

- Grants in the nature of subsidies which are non – refundable are credited to the respective accounts to which the grants relate, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.
- Grants in the nature of Subsidy which are Refundable are shown as Liabilities in the Balance Sheet at the Reporting date.

f) Retirement Benefits:-

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) Employment Benefits:

I) Provident Fund/ESIC :

The company has Defined Contribution Plans for post employment benefit in the form of Provident Fund which are administered by the Regional Provident Fund Commissioner. Provident Fund are classified as defined contribution plans as the company has no further obligation beyond making contributions. The company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

II) Gratuity :

The Management has decided to gratuity will be accounted in profit & loss A/c in each financial year when the claim is recognized by the company which is against the prescribed treatment of AS -15. The Quantum of provision required to be made for the said retirements benefits can be decided on actuarial basis and the said information could not be gathered. To the extent of such amount, the reserve would be lesser.

g) Prior Period Items :-

All identifiable items or income and expenditure pertaining to prior period are accounted through 'Prior Period Income/ Expenses Account'.

Revenue Recognition :-

Inventories of the raw material, work-in-progress, finished goods, packing material, stores and spares, components, consumables and stock in trade are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis.

Cost of inventories included the cost incurred in bringing the each product to its present location and conditions are accounted as follows:

a) Raw Material:- Cost included the purchase price and other direct or indirect costs incurred to bring the inventories into their present location and conditions. Cost is determined on *First in First out basis (FIFO)*.

b) Finished Goods and Work-in-Progress:- Work in progress are valued at cost which includes raw materials and cost incurred till the stage of production of process. Finished Goods are valued at cost or Net realizable value whichever is lower. Cost included cost of direct materials and the labor cost and a proportion of manufacturing overhead based on the normal operating capacity, but excluding the borrowing costs. Cost is determined on *“First in First out basis (FIFO)”*.

c) Stock in Trade:- Cost included the purchase price and other direct or indirect costs incurred in bringing the inventories to their present location and conditions. Cost is determined on *“First in First out basis (FIFO)”*.

All other inventories of stores and spares, consumables, project material at site are valued at cost. The stock of waste or scrap is valued at net realizable value.

“Net Realizable Value” is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

h) Accounting for effects of changes in foreign exchange rates:-

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transactions.

Any income or expenses on account of exchange difference either on settlement or on Balance sheet Valuation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

Foreign currency transactions accounts are given in the notes of accounts, if any.

i) Borrowing Cost :-

Borrowing Cost includes the interest, commitments charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying property, plants and equipments are capitalized as a part of cost of that property, plants and equipments. The amount of borrowing costs eligible for capitalization is determined in accordance with the Accounting Standards – 16 “Borrowing Costs”. Other Borrowing Costs are recognized as expenses in the period in which they are incurred.

In accordance with the Accounting Standard – 16, exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustments to interest costs are recognized as Borrowing Costs and are capitalized as a part of cost of such property, plants and equipments if they are directly attributable to their acquisition or charged to the Standalone Statement or Profit and Loss.

j) Related Party Disclosure :-

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given in notes of accounts.

k) Accounting for Leases :-

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risk and rewards incidental to the ownership to the Company is classified as a finance lease.

The Company as a lessee:

a) Operating Lease:- Rental payable under the operating lease are charged to the Standalone Statement of Profit and Loss on a Straight line basis over the term of the relevant lease.

b) Finance Lease:- Finance lease are capitalized at the commencement of the lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the income over the period of the lease.

The Company has not provided any of its assets on the basis of operating lease or finance lease to others.

l) Cash flow:-

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the company are segregated.

m) Earnings Per Share:-

The Company reports the basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20, "Earnings per Share". Basic EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all potential Equity Shares, except where the results are Anti - Dilutive.

The weighted average number of Equity Shares outstanding during the period is adjusted for events such a Bonus Issue, Bonus elements in right issue, share splits, and reverse share split (consolidation of shares) that have changed the number of Equity Shares outstanding, without a corresponding change in resources.

n) Taxes on Income :-

• **Current Tax: -**

Provision for current tax is made after taken into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

• **Deferred Taxes:-**

Deferred Income Tax is provided using the liability method on all temporary difference at the balance sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes.

- I. Deferred Tax Assets are recognized for all deductible temporary difference available in the future against which this items can be utilized.
- II. Deferred Tax Assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates (and the tax) that have been enacted or enacted subsequent to the balance sheet date.

o) Discontinuing Operations :-

During the year the company has not discontinued any of its operations.

p) Provisions Contingent liabilities and contingent assets:-

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as Contingent Liability.

A disclosure for a Contingent Liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation is reported as Contingent Liability. In the rare cases, when a liability cannot be measured reliably, it is classified as Contingent Liability. The Company does not recognize a Contingent Liability but disclosed its existence in the standalone financial statements.

q) Event after Reporting Date:-

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

All the events occurring after the Balance Sheet date up to the date of the approval of the restated financial statement of the Company by the board of directors, have been considered, disclosed and adjusted, wherever applicable, as per the requirement of Accounting Standards.

ANNEXURE V - NOTES TO THE RESTATED FINANCIAL INFORMATION

| Annexure 5 : EQUITY SHARE CAPITAL | | | | |
|---|----------------------|-------------------|-----------------------|-------------------|
| <u>Share Capital</u> | As at 30th June 2023 | | As at 31st March 2023 | |
| | Number | Amt. Rs. In Lakhs | Number | Amt. Rs. In Lakhs |
| Authorised | | | | |
| Equity Shares of Rs.10 each | 8,000,000.00 | 800.00 | 10,000.00 | 1.00 |
| Issued | | | | |
| Equity Shares of Rs.10 each | 5,161,200.00 | 516.12 | 10,000.00 | 1.00 |
| Subscribed & Paid up | | | | |
| Equity Shares of Rs.10 each fully paid up | 5,161,200.00 | 516.12 | 10,000.00 | 1.00 |
| Total | 5,161,200.00 | 516.12 | 10,000.00 | 1.00 |

| RECONCILIATION OF NUMBER OF SHARES | | | | |
|---|---------------|-------------------|---------------|-------------------|
| Particulars | Equity Shares | | Equity Shares | |
| | Number | Amt. Rs. In Lakhs | Number | Amt. Rs. In Lakhs |
| Shares outstanding at the beginning of the year | 10,000.00 | 1.00 | - | - |
| Shares Issued during the year | 5,151,200.00 | 515.12 | 10,000.00 | 1.00 |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 5,161,200.00 | 516.12 | 10,000.00 | 1.00 |

The Company has only one class of equity shares having as per value of Rs. 10/- Per Share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares by the shareholders.

| Details of Shares held by shareholders holding more than 5% of the aggregate shares in the co. | | | | |
|---|----------------------|--------------|-----------------------|--------------|
| Name of Shareholder | As at 30th June 2023 | | As at 31st March 2023 | |
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Abhishek Nathani | 51,61,100.00 | 99.998% | 9,900.00 | 99.00% |
| Kiran Nathani | 100.00 | 0.00% | 100.00 | 1.00% |

| Annexure 6: RESERVE AND SURPLUS | | |
|--|----------------------|-----------------------|
| Particulars | As at 30th June 2023 | As at 31st March 2023 |
| A. Surplus | | |
| Opening balance | - | - |
| (+) Net Profit/(Net Loss) For the current year | 20.63 | - |
| Closing Balance | 20.63 | - |
| Total | 20.63 | - |

| Annexure 7 : LONG TERM BORROWING | | |
|---|----------------------|-----------------------|
| Particulars | As at 30th June 2023 | As at 31st March 2023 |
| Unsecured | | |
| (a) Term loans | | |
| From Bank & Financial Institutions | | |
| Aditya Birla Loan | 3.87 | - |
| Ashv Finance Ltd | 20.50 | - |
| Choice Fineness Servises | 18.05 | - |
| Mahindra Finance Loan | 17.12 | - |
| Mas Financial Services Limited | 2.34 | - |
| Poonawalla Fincorp Limited | 5.13 | - |
| Total | | |

| Annexure 8 : SHORT TERM BORROWINGS | | |
|---|----------------------|-----------------------|
| Particulars | As at 30th June 2023 | As at 31st March 2023 |
| Secured | | |
| (a) Loan Payable on Demand | | |
| from banks | 120 | |

(₹ in Lakhs)

| | | |
|---|---------------|---|
| Axis Bank | 199.13 | - |
| | 199.13 | - |
| Unsecured | | |
| (a) From Financial Institutions | | |
| Electronic Finance Ltd | 2.55 | - |
| (b) Current maturities of Long Term Debt | | |
| <i>(i.e. Term Liability classified as current)</i> | | |
| Aditya Birla Loan | 5.19 | - |
| Ashv Finance Ltd | 8.24 | - |
| Choice Finens Servises | 3.91 | - |
| Hero Fincorp Loan | 2.33 | - |
| Mahindra Finance Loan | 7.09 | - |
| Mas Financial Services Limited | 13.16 | - |
| Poonawalla Fincorp Limited | 7.02 | - |
| (b) From Promoters/ Promoters Group/ Group Companies/Directors & their Relatives | 9.00 | - |
| Total | | |

| Annexure 8.1 : NATURE AND TERMS OF REPAYMENT BORROWINGS | | | | | | | (₹ in Lakhs) |
|---|--|-------------------------------|--------------------------|---|----------------------|---|---|
| Details of Long Term Unsecured Borrowings : | | | | | | | |
| Sr. No. | Lender | Nature of facility | Date of Sanction of Loan | Amount outstanding as at June 30, 2023 (In Lakhs) | Rate of interest (%) | Repayment terms | Security/Principal terms and conditions |
| 1 | Aditya Birla Capital | Business Installment Loan | 1/31/2022 | 9.06 | 17.50% | Amount Payable on 05th every month Starting from 05-03-2022 at Installment of Rs. 53,854/-. | Unsecured Loan from NBFC Company |
| 2 | Ashv Finance Limited | GST Surrogate (Business Loan) | 3/24/2023 | 28.74 | 19.00% | Amount Payable on 05th every month Starting from 05-05-2023 at Installment of Rs. 1,09,969/-. | Unsecured Loan from NBFC Company |
| 3 | Choice Finserv Pvt Ltd | Business Loan | 7/28/2022 | 21.96 | 18.00% | Amount Payable on 10th every month Starting from 10-09-2022 at Installment of Rs. 63,484/-. | Unsecured Loan from NBFC Company |
| 4 | Hero FinCorp Ltd | Business Loan | 1/31/2022 | 2.33 | 18.00% | Amount Payable on 03th every month Starting from 03-03-2022 at Installment of Rs. 35,360/-. | Unsecured Loan from NBFC Company |
| 5 | Mahindra and Mahindra Financial Services Limited | Business Loan | 3/27/2023 | 24.21 | 18.50% | Amount Payable on 10th every month Starting from 10-05-2022 at Installment of | Unsecured Loan from NBFC Company |

| | | | | | | Rs. 92,036/-. | |
|--|--------------------------------|-----------------------------|--------------------------|---|--|--|----------------------------------|
| 6 | MAS Financial Services Limited | SME Business Loan | 4/26/2022 | 15.50 | 18.00% | Amount Payable on 25th every month Starting from 25-05-2022 at Installment of Rs. 1,23,050/-. | Unsecured Loan from NBFC Company |
| 7 | Poonawalla Fincorp Limited | Business Loan | 2/17/2022 | 12.15 | 18.00% | Amount Payable on 03rd every month Starting from 03-02-2022 at Installment of Rs. 72,561/-. | Unsecured Loan from NBFC Company |
| 8 | Electronica Finance Limited | Working Capital Demand Loan | 6/27/2022 | 2.55 | 15.00% | Interest of RS.12500.00 Payable From Month 1 To 2 and Interest + Principle of RS.257862. From Month 3 To 6. Interest of RS.12500.00 Payable From Month 1 To 2 and Interest + Principle of RS.257862. From Month 3 To 6 | Unsecured Loan from NBFC Company |
| Details of Short Term Secured Borrowings: | | | | | | | |
| Sr. No. | Lender | Company | Date of Sanction of Loan | Amount outstanding as at June 30, 2023 (In Lakhs) | Rate of interest (%) | Security/Principal terms and conditions | |
| 1 | Banking Company | Axis Bank (Cash Credit) | 6/24/2023 | 199.13 | REPO Rate + 3.1% i.e. 9.6% p.a. at Present | SBB CGTMSE Limited 40% Margin for book Debts & 25% for Stock, interest starts from 01-08-2023. | |
| Details of Short Term Unsecured Borrowings: | | | | | | | |
| 1 | Abhishek Nathani | Director of The Company | 4/1/2023 | 9.00 | - | Repayable on demand | |

Notes:

- (i) The figures disclosed above are based on the Statements of Assets and Liabilities as Restated of the Company.
- (ii) The above includes long-term borrowings disclosed under Annexure and the current maturities of long-term borrowings included in short term Borrowing.

| Annexure 9 : TRADE PAYABLES | | (₹ in Lakhs) | |
|---|-----------------------------|------------------------------|--|
| Particulars | As at 30th June 2023 | As at 31st March 2023 | |
| Outstanding dues of creditors other than micro enterprises and small enterprises | | | |
| Unbilled | - | - | |
| Not Due | - | - | |
| Outstanding for Following Period from Due date | | | |
| Less than 01 Years | 396.97 | - | |
| 01-02 Years | 29.96 | - | |
| 02-03 Years | - | - | |
| More than 3 Years | - | - | |
| Outstanding dues of creditors other than micro enterprises and small enterprises | | | |
| Unbilled | | | |
| Not Due | | | |
| Outstanding for Following Period from Due date | | | |
| Less than 01 Years | - | - | |
| 01-02 Years | 1.58 | - | |
| 02-03 Years | - | - | |
| More than 3 Years | - | - | |
| Total | 428.51 | - | |

| Annexure 10 : OTHER CURRENT LIABILITIES | | (₹ in Lakhs) | |
|--|-----------------------------|------------------------------|--|
| Particulars | As at 30th June 2023 | As at 31st March 2023 | |
| (i) Statutory Remittance | | | |
| (i) TDS/TCS Payable | 0.57 | - | |
| (ii) PF & ESI Payable | 0.40 | - | |
| (ii) Advanced from Customers | | | |
| (iii) Other Payables (Specify Nature) | | | |
| Reimbursement Expenses | 0.09 | - | |
| Salary Payable | 4.85 | - | |
| Total | 5.91 | - | |

| Annexure 11 : SHORT TERM PROVISIONS | | (₹ in Lakhs) | |
|--|-----------------------------|------------------------------|--|
| Particulars | As at 30th June 2023 | As at 31st March 2023 | |
| (a) Others (Specify nature) | | | |
| (i) Income Tax | 24.40 | - | |
| (ii) Audit Fees | 1.00 | - | |
| Total | 25.40 | - | |

| Annexure 12 :Property, Plant and Equipment | | | | | | | | | | | (₹ in Lakhs) | |
|--|-------------------------------|---------------------------------|---------------|-----------|-------------------------------|-------------------------------|---------------------------------|----------------------------------|--------------|-------------------------------|-------------------------------|-------------------------------|
| Fixed Assets | Gross Block | | | | | Accumulated Depreciation | | | | | Net Block | |
| | Balance as at 1 st April 2023 | Amount Charged due to take over | Additions | Disposals | Balance as at 30 th June 2023 | Balance as at 1 st April 2023 | Amount Charged due to take over | Depreciation charge for the year | On disposals | Balance as at 30 th June 2023 | Balance as at 30 th June 2023 | Balance as at 1 st April 2023 |
| Tangible Assets | | | | | | | | | | | | |
| Plant & Machinery | - | 48.10 | - | - | 48.10 | - | 21.35 | 1.10 | - | 22.45 | 25.65 | - |
| Furniture & Fixture | - | 15.72 | - | - | 15.72 | - | 5.82 | 0.41 | - | 6.23 | 9.49 | - |
| Electrical Fittings | - | 1.28 | - | - | 1.28 | - | 0.43 | 0.04 | - | 0.47 | 0.81 | - |
| Computer & Printers | - | 6.76 | - | - | 6.76 | - | 3.74 | 0.11 | - | 3.86 | 2.90 | - |
| Intangible Assets | | | | | | | | | | | | |
| Goodwill | - | | 111.73 | - | 111.73 | - | - | 2.79 | - | 2.79 | 108.94 | - |
| Total | - | 71.85 | 111.73 | - | 183.58 | - | 31.35 | 4.46 | - | 35.80 | 147.78 | - |

| Annexure 13 : LONG TERM LOANS AND ADVANCES | | (₹ in Lakhs) | |
|---|----------------------|-----------------------|--|
| Particulars | As at 30th June 2023 | As at 31st March 2023 | |
| (Unsecured and Considered Good) | | | |
| a. Security Deposits | 3.52 | - | |
| Total | 3.52 | - | |

| Annexure 14 : INVENTORIES | | (₹ in Lakhs) | |
|---|----------------------|-----------------------|--|
| Particulars | As at 30th June 2023 | As at 31st March 2023 | |
| a. Finished Goods | 157.91 | - | |
| (Valued at Lower of Cost or NRV as per FIFO Method) | | | |
| b. Semi-Finished Goods | 147.37 | - | |
| (Valued At Estimated Cost as per FIFO Method) | | | |
| c. Raw Materials | 175.14 | - | |
| (Valued at Lower of Cost or NRV as per FIFO Method) | | | |
| d. Packing Materials | 3.49 | - | |
| (Valued at Lower of Cost or NRV as per FIFO Method) | | | |
| Total | 483.91 | - | |

| Annexure 15 : TRADE RECEIVABLES | | (₹ in Lakhs) | |
|---|----------------------|-----------------------|--|
| Particulars | As at 30th June 2023 | As at 31st March 2023 | |
| Undisputed Trade Receivable - Considered good | | | |
| Not Due | | | |
| Outstanding for Following Period from Due date | | | |
| Less than 6 Months | 619.84 | - | |
| 6 Months - 1 Years | 21.82 | - | |
| 01-02 Years | 7.64 | - | |
| 02-03 Years | - | - | |
| More than 3 Years | - | - | |
| | | | |
| disputed Trade Receivable - Cosidered good | | | |
| Not Due | | | |
| Outstanding for Following Period from Due date | | | |
| Less than 6 Months | - | - | |
| 6 Months - 1 Years | - | - | |
| 01-02 Years | 1.62 | - | |
| 02-03 Years | - | - | |
| More than 3 Years | - | - | |
| Total | 650.92 | - | |

| Annexure 16 : CASH AND CASH EQUIVALENTS | | (₹ in Lakhs) | |
|--|----------------------|-----------------------|--|
| Particulars | As at 30th June 2023 | As at 31st March 2023 | |
| a. Cash on Hand | 16.06 | - | |
| | | | |
| b. Balance with Banks | | | |
| (i) in Current Accounts | 1.48 | - | |
| Total | 17.54 | - | |

| Annexure 17 : SHORT TERM LOANS AND ADVANCES | | (₹ in Lakhs) | |
|--|----------------------|-----------------------|--|
| Particulars | As at 30th June 2023 | As at 31st March 2023 | |
| (Unsecured and Considered Good) | | | |
| a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company | - | - | |
| b. Loan & Advances to Others | - | - | |
| c. Balance with Government Authorities | 11.66 | - | |
| d. Others (specify nature) | 125 | - | |

| | | |
|--|--------------|----------|
| Advances to Suppliers for Services/Goods | 5.90 | - |
| Others | - | - |
| Total | 17.56 | - |

| Annexure 18 : OTHER CURRENT ASSETS | | (₹ in Lakhs) |
|---|----------------------|-----------------------|
| Particulars | As at 30th June 2023 | As at 31st March 2023 |
| (a) Others | | |
| Share Capital Receivables | - | 1.00 |
| Total | - | 1.00 |

| Annexure 19 : CONTINGENT LIABILITIES AND COMMITMENTS | | (₹ in Lakhs) |
|--|----------------------|-----------------------|
| Particulars | As at 30th June 2023 | As at 31st March 2023 |
| (a) Contingent Liabilities | | |
| a. Claims against the company not acknowledged as debts | - | - |
| b. Guarantees | - | - |
| c. Other Money for which the company is contingently liable | - | - |
| (b) Commitments | - | - |
| Total | - | - |

| Annexure 20: REVENUE FROM OPERATIONS | | (₹ in Lakhs) |
|---|-------------------------------------|------------------------------------|
| Particulars | For the period ended 30th June 2023 | For the year ended 31st March 2023 |
| Sale of Products | 470.21 | - |
| Total | 470.21 | - |

| Annexure 20.1 : PARTICULARS OF SALE OF PRODUCTS/SERVICES | | (₹ in Lakhs) |
|---|-------------------------------------|------------------------------------|
| Particulars | For the period ended 30th June 2023 | For the year ended 31st March 2023 |
| Sale of Goods | | |
| Garment Sales | 470.21 | - |
| Total | 470.21 | - |

| Annexure 21: COST OF MATERIAL CONSUMED | | (₹ in Lakhs) |
|---|-------------------------------------|------------------------------------|
| Particulars | For the period ended 30th June 2023 | For the year ended 31st March 2023 |
| Raw Materials | | |
| Opening Stock Raw Materials | 41.92 | - |
| Add:- Purchase of Raw Materials | 376.64 | - |
| Closing Stock of Raw Materials | 175.14 | - |
| Packing Materials | | |
| Opening Stock Packing Materials | 4.45 | - |
| Add:- Purchase of Packing Materials | 0.21 | - |
| Closing Stock of Packing Materials | 3.49 | - |
| Total | 244.59 | - |

| Annexure 22: CHANGES IN INVENTORIES OF FINISHED GOODS, Work in Progress | | (₹ in Lakhs) |
|--|-------------------------------------|------------------------------------|
| Particulars | For the period ended 30th June 2023 | For the year ended 31st March 2023 |
| Inventories at the end of the year | | |
| Finished Goods | 157.91 | - |
| Semi Finished Goods | 147.37 | - |
| Inventories at the beginning of the year | | |
| Finished Goods | 433.78 | - |
| Work-In-Progress | - | - |

| | | |
|------------------------|--------|---|
| Net(Increase)/decrease | 128.50 | - |
|------------------------|--------|---|

| Annexure 23 : EMPLOYEE BENEFITS EXPENSES (₹ in Lakhs) | | |
|---|-------------------------------------|------------------------------------|
| Particulars | For the period ended 30th June 2023 | For the year ended 31st March 2023 |
| (a) Salaries and Wages | 17.17 | - |
| (b) Staff welfare expenses | 0.20 | - |
| Total | 17.37 | - |

| Annexure 24 : FINANCE COST (₹ in Lakhs) | | |
|---|-------------------------------------|------------------------------------|
| Particulars | For the period ended 30th June 2023 | For the year ended 31st March 2023 |
| (a) Interest expense :- | | |
| (i) Borrowings | 9.58 | - |
| (ii) Others | | |
| - Interest on TDS | 0.02 | - |
| (b) Other borrowing costs | 3.49 | - |
| Total | 13.09 | - |

| Annexure 25 : DEPRECIATION AND AMORTISATION (₹ in Lakhs) | | |
|--|-------------------------------------|------------------------------------|
| Particulars | For the period ended 30th June 2023 | For the year ended 31st March 2023 |
| Depreciation Exp | 4.46 | - |
| Total | 4.46 | - |

| Annexure 26 : OTHER EXPENSES (₹ in Lakhs) | | |
|---|-------------------------------------|------------------------------------|
| Particulars | For the period ended 30th June 2023 | For the year ended 31st March 2023 |
| Jobwork & Cutting Expenses | 17.27 | - |
| Testing and Inspection of Equipments Expenses | 0.14 | - |
| Power & Fuel Expenses | 0.97 | - |
| Transport Expenses | 0.08 | - |
| EMB Work | 0.01 | - |
| Garments listing Expenses | 0.35 | - |
| Advertising & Marketing Expenses | 2.62 | - |
| Rates, Taxes & Fees | 0.08 | - |
| General Factory Expenses | 0.20 | - |
| Commission Expenses | 0.18 | - |
| ROC Fees | 7.81 | - |
| Rent Exp. | 3.00 | - |
| Postage and Courier charges | 0.04 | - |
| Auditor Fees | 1.00 | - |
| Printing & Stationery Exp | 0.22 | - |
| Repair & Maintenance Charges | 0.18 | - |
| Legal & Professional Fees | 0.97 | - |
| Travelling Expenses | 0.14 | - |
| Water Expenses | 0.14 | - |
| Telephone & Internet Expenses | 0.08 | - |
| Office exp. | 0.05 | - |
| Miscellaneous Expense | 0.17 | - |
| Total | 35.70 | - |

| Annexure 26.1 : PAYMENT TO AUDITORS AS: (₹ in Lakhs) | | |
|--|-------------------------------------|------------------------------------|
| Particulars | For the period ended 30th June 2023 | For the year ended 31st March 2023 |
| Payment to auditors | | |

| | | |
|-------------------------|-------------|----------|
| a. Statutory Audit fees | 1.00 | - |
| b. taxation matters | - | - |
| c. company law matters | - | - |
| Total | 1.00 | - |

| Annexure 27 : DEFERRED TAX ASSET/LIABILITY | | (₹ in Lakhs) |
|---|-----------------------------|------------------------------|
| Particulars | As at 30th June 2023 | As at 31st March 2023 |
| WDV as per book | 147.78 | - |
| WDV as per IT | 147.63 | - |
| Time Difference | 0.14 | - |
| Total | 0.14 | - |
| As per B/S (Liability/(Asset)) | 0.04 | - |
| Transfer to P & L A/c (Loss/(Profit)) | 0.04 | - |

| Annexure 28 : Reconciliation of Restated profit: | | (₹ in Lakhs) |
|--|--|---|
| Adjustments for | For the year ended 30th June 2023 | For the year ended 31st March 2023 |
| Net profit/(Loss) after Tax as per Audited Profit & Loss Account | 20.63 | - |
| Adjustments for: | | |
| Effect of Changes of depreciation | - | - |
| Deferred Tax Liability / Asset Adjustment | - | - |
| Net Profit/ (Loss) After Tax as Restated | 20.63 | - |

| Annexure 29 : Related Party Transaction | | | (₹ in Lakhs) | | | | | | |
|--|----------|---------------------------|------------------------------|---------|----------|----------------------------|---------|----------|----------------------------|
| i) Names of related parties and description of relationship with the company | | | | | | | | | |
| A) Key Managerial Personnel and their Relatives | | | | | | | | | |
| a. Abhishek Nathani - Director | | | | | | | | | |
| b. Kiran Nathani - Director | | | | | | | | | |
| Transaction and Balances | | | | | | | | | |
| Name | Relation | Nature of Transaction | Till 30th June 2023 | | | FY 2022-23 | | | Outstanding as on 31.03.22 |
| | | | Outstanding as on 30.06.2023 | Debited | Credited | Outstanding as on 31.03.23 | Debited | Credited | |
| Abhishek Nathani | Director | Unsecured loan | 9.00 | - | 9.00 | - | - | - | - |
| | | Director Remuneration | 2.50 | - | 2.50 | - | - | - | - |
| | | Reimbursement of Expenses | 0.05 | 5.00 | 5.05 | - | - | - | - |
| | | Share Capital | - | 516.11 | 516.11 | - | - | - | - |
| Kiran Nathani | Director | Director Remuneration | 1.00 | 0.50 | 1.50 | - | - | - | - |
| | | Reimbursement of Expenses | 0.04 | - | 0.04 | - | - | - | - |
| | | Share Capital | 0.09 | 0.01 | 0.10 | - | - | - | - |

| Annexure 30 : Summary of Accounting Ratio | | (₹ in Lakhs) | |
|---|-------------------------------------|------------------------------------|--|
| Ratios | For the period ended 30th June 2023 | For the year ended 31st March 2023 | |
| Restated PAT as per P&L Account | 20.63 | - | |
| Weighted Average Number of Equity Shares at the end of the Year/Period (Pre Bonus Issue) | 5,161,200 | 10,000 | |
| Weighted Average Number of Equity Shares at the end of the Year/Period (Post Bonus Issue) | 5,161,200 | 10,000 | |
| No. of equity shares at the end of the year/period (Pre Bonus Issue) | 5,161,200 | 10,000 | |
| No. of equity shares at the end of the year/period (Post Bonus Issue) | 5,161,200 | 10,000 | |
| Net Worth | 536.75 | 1.00 | |
| Earnings Per Share | | | |
| Basic & Diluted EPS | 0.40 | - | |
| Adjusted Basic & Diluted EPS | 0.40 | - | |
| Return on Net Worth (%) | 0.04 | 0.00 | |
| Net Asset Value Per Share (Rs) (Pre Bonus Issue) | 10.40 | 10.00 | |
| Net Asset Value Per Share (Rs) (Post Bonus Issue) | 10.40 | 10.00 | |
| Nominal Value per Equity share (Rs.) | 10.00 | 10.00 | |

Notes :

1. Ratios have been calculated as below

| | |
|--|---|
| Basic and Diluted Earnings Per Share (EPS) (Rs.) | $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$ |
| Return on Net Worth (%) | $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$ |
| Net Asset Value per equity share (Rs.) | $\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$ |

| Annexure 31 : Statement of Tax Shelters | | (₹ in Lakhs) | |
|--|-------------------------------------|------------------------------------|--|
| Particulars | For the period ended 30th June 2023 | For the year ended 31st March 2023 | |
| Profit before tax as per books (A) | 26.50 | - | |
| Normal Corporate Tax Rate (%) | 26.00% | 26.00% | |
| Normal Corporate Tax Rate (Other Source)(%) | 26.00% | 26.00% | |
| MAT Rates | 15.06% | 15.06% | |
| Tax at notional rate of profits | 6.89 | - | |
| Adjustments : | | | |
| Permanent Differences(B) | | | |
| Expenses disallowed/Income disallowed under Income Tax Act, 1961 | | | |
| Interest Paid on TDS | 0.02 | - | |
| Total Permanent Differences(B) | 0.02 | - | |

| | | |
|---|---------------|-----|
| Income from Other Sources | - | - |
| Income from Capital Gain | - | - |
| Total Income considered separately (C) | - | - |
| Timing Differences (D) | | |
| Difference between tax depreciation and book depreciation | (4.06) | - |
| Depreciation as per P & L A/c | 4.46 | - |
| Depreciation as per Income tax | 8.52 | - |
| Disallowance u/s 43B | - | - |
| Total Timing Differences (D) | (4.06) | - |
| Net Adjustments E = (B+D) | (4.04) | - |
| Tax expense / (saving) thereon | (1.05) | - |
| Long Term Capital Gain (F) | - | - |
| Interest on others | - | - |
| Income from Other Sources (G) | - | - |
| Loss of P.Y. Brought Forward & Adjusted(H) | - | - |
| Brought Forward Business Loss | - | - |
| Brought Forward Capital Gain loss | - | - |
| Brought Forward Depreciation | - | - |
| Brought Forward MAT Credit | - | - |
| Taxable Income/(Loss) (A+E+F+G) | 22.46 | - |
| Taxable Income/(Loss) as per MAT | 26.50 | - |
| Disallowance as per MAT | - | - |
| Tax as per MAT | 4.13 | - |
| Basic Tax | 3.98 | - |
| Surcharge | - | - |
| Edu cess | 0.16 | - |
| Tax as per Normal Calculation | 5.84 | - |
| Basic Tax | 5.62 | - |
| Surcharge | - | - |
| Edu cess | 0.22 | - |
| MAT Credit Used | - | - |
| Income Tax as returned/computed | 5.84 | - |
| Interest Payable | - | - |
| Tax paid as per normal or MAT | Normal | MAT |

| Annexure 32 : Capitalization Statement as at 30th June, 2023 | | (₹ in Lakhs) | |
|---|------------------|---------------------|-----------------|
| Particulars | Pre Issue | Post Issue | |
| Borrowings | | | |
| Short term debt (A) | 257.62 | | 257.62 |
| Long Term Debt (B) | 67.01 | | 67.01 |
| Total debts (C) | 324.63 | | 324.63 |
| Shareholders' funds | | | |
| Equity share capital | 516.12 | | 781.92 |
| Reserve and surplus - as restated | 20.63 | | 419.33 |
| Total shareholders' funds | 536.75 | | 1,201.25 |
| Long term debt / shareholders funds | 0.12 | | 0.06 |
| Total debt / shareholders funds | 0.60 | | 0.27 |

Notes:

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at June 30, 2023.

| Annexure 33: Ratio Analysis | | | | | |
|---|---|--|----------------------|-----------------------|--|
| Ratio | Numerator | Denominator | June 30, 2023 | March 31, 2023 | % change from March 31, 2023 to June 30, 2023 |
| Current ratio | Current Assets | Current Liabilities | 1.63 | - | 100.00 |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 0.60 | - | 100.00 |
| Debt Service Coverage ratio* | EBDIT | Interest & Lease Payments + Principal Repayments | 0.75 | - | 100.00 |
| Return on Equity ratio* | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 0.15 | - | 100.00 |
| Inventory Turnover ratio* | Revenue from sales of products | Average Inventory | 1.94 | - | 100.00 |
| Trade Receivable Turnover Ratio* | Revenue from operations | Average Trade Receivable | 1.44 | - | 100.00 |
| Trade Payable Turnover Ratio* | Cost of Purchase | Average Trade Payables | 1.74 | - | 100.00 |
| Net Capital Turnover Ratio* | Revenue from operations | Working capital | 1.04 | - | 100.00 |
| Net Profit ratio | Net Profit | Revenue from operations | 0.04 | - | 100.00 |
| Return on Capital Employed* | Earnings before interest and taxes | Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.07 | - | 100.00 |

Notes :

Reasons for variance of more than 25% in above ratios cannot be explained as period of 3 months of FY 23-24 cannot be compared with period of one year i.e FY 22-23.

34. The previous year's figures have been reworked, regrouped, and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current annual financial statements and are to be read in relation to the amounts and other disclosures relating to the current financial year.
35. Since the company has taken Unsecured loan which Is given by director or other unsecured loan of company but for that company has not any agreement in writing.
36. The Company has not revalued its Property, Plant and Equipment for the restated period.
37. There has been no Capital work in progress for the rested period under consideration.
38. There has been no Intangible assets under development for the rested period under consideration.
39. Credit and Debit balances of unsecured loans, Trade Payables, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.
40. The Company does not have any charges or satisfaction which is yet to be registered with ROC or beyond the statutory period.
41. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
42. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
43. No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
44. The company has not been declared as willful defaulter by any bank or financial institution or government or government authority.
45. The company does not have transaction with the struck off under section 248 of companies act, 2013 or section 560 of Companies act 1956.
46. The company is in compliance with the number of layers prescribed under clause (87) of section 2 of company's act read with companies (restriction on number of layers) Rules, 2017.
- 47. Corporate Social Responsibility (CSR)**
The section 135 (Corporate social responsibility) of companies act, 2013 is not applicable to the company.

48. Notes forming part of accounts in relation to Micro and small enterprise

Based on information available with the company, on the status of the suppliers being Micro or small enterprises, on which the auditors have relied, the disclosure requirements of Schedule III to the Companies Act,2013 with regard to the payments made/due to Micro and small Enterprises are given below :

| Sr. No | Particulars | Period Ended on 30 th June 2023 | | Year Ended on 31 st March 2023 | |
|--------|--|--|----------|---|----------|
| | | Principal | Interest | Principal | Interest |
| I | Amount due as at the date of Balance sheet | Nil | Nil | Nil | Nil |
| ii | Amount paid beyond the appointed date during the year | Nil | Nil | Nil | Nil |
| iii | Amount of interest due and payable for the period of delay in making payments of principal during the year beyond the appointed date | Nil | Nil | Nil | Nil |

| | | | | | |
|----|--|-----|-----|-----|-----|
| Iv | The amount of interest accrued and remaining unpaid as at the date of Balance sheet. | Nil | Nil | Nil | Nil |
|----|--|-----|-----|-----|-----|

The company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the company from its suppliers.

49. Title deeds of immovable Property

Title deeds of immovable property has not been held in the name of promoter, director, or relative of promoter/director or employee of promoters / director of the company.

50. Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties:-

No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

51. Shares Held By Promoters At the End of the Year

| Name of Shareholder | As at 30 th June 2023 | | As at 31 th March, 2023 | |
|---------------------|----------------------------------|--------------|------------------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Abhishek Nathani | 51,61,100 | 99.998% | 99,00 | 99.00% |

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management’s perspective on our financial condition and results of operations for the period ended on June 30, 2023. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “*Risk Factors*” beginning on page 17 of this Draft Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Kizi Apparels Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “*Restated Financial Statements*” for the period ended on June 30, 2023 included in this Draft Prospectus beginning on page 108 of this Draft Prospectus.

BUSINESS OVERVIEW

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

There is no any significant development occurred in the Company.

KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

Our Company’s future results of operations could be affected potentially by the following factors:

1. Changes in Laws and Regulations that apply to our Industry.
2. Changes in Fiscal, Economic or Political conditions in India
3. Company’s inability to retain the experienced staff
4. Failure to adapt the changing technology in our industry of operation may adversely affect our business
5. Failure to comply with regulations prescribed by authorities of the jurisdiction in which we operate
6. Competition with existing and new entrants

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, “Annexure I” beginning under Chapter titled “Restated Financial Information” beginning on page 108 of the Draft Prospectus.

RESULTS FOR STUB PERIOD

(₹ in lakhs)

| Particulars | For the Period ended on June 30, 2023 |
|---|---------------------------------------|
| Income from continuing operations | |
| Revenue from operations | 470.21 |
| Total Revenue | 470.21 |
| Expenses | |
| Cost of Material Consumed | 373.09 |
| Employee Benefit Expenses | 17.37 |
| Finance Costs | 13.09 |
| Depreciation and amortisation expenses | 4.46 |
| Other expenses | 35.70 |
| Total Expenses | 443.71 |
| % to total revenue | 94.36 |
| EBDITA | 44.05 |
| % to total revenue | 9.37 |
| Restated profit before tax from continuing operations | 26.50 |
| Exceptional Item | |
| Total tax expense | 5.87 |
| Restated profit after tax from continuing operations (A) | 20.63 |

| | |
|---------------------------|-------------|
| % to total revenue | 4.39 |
|---------------------------|-------------|

Total Income :

The Company has been incorporated in March 24, 2023. However the Company had taken over the proprietary running business of promoter Viz. M/s Aaika Creation. The Promoter has started his proprietary business in the month of November, 2017. The total Income of the Company for the period ended on June 30, 2023 was ₹470.21 lacs.

Total Expenditure

The Total Expenditure for the Period ended on June 30, 2023 was ₹443.71 lacs which included material cost of ₹373.09 lacs (79.35% of total revenue), Other Expenses of ₹35.70 lacs (7.59% of total revenue). The other expenses includes the 17.27 lacs of the Job Work and cutting expenses.

EBDITA

The EBDITA was ₹44.05 lacs which is 9.37 % of the total revenue.

PAT

Profit after Tax was ₹20.63 lacs which is 4.39 % of the Total revenue.

Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years other than shut down of business due to COVID-19.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "*Risk Factors*" beginning on page 17 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

3. Income and Sales on account of major product/main activities

Income and sales of our Company on account of major activities derives from sale of plantation and sale of services.

4. Whether the company has followed any unorthodox procedure for recording sales and revenues

Our Company has not followed any unorthodox procedure for recording sales and revenues.

5. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled "*Risk Factors*" beginning on page 17 in this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

7. Total turnover of each major industry segment in which the issuer company operated.

The Company is in the business of Trading and service industry, the relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page no 64 of this Draft Prospectus.

8. Status of any publicly announced new products or business segment.

Our Company has not announced any new services or business segment.

9. The extent to which business is seasonal.

Our Company's business is not seasonal,

10. Any significant dependence on a single or few suppliers or customers.

Our Company is not dependent on any single or few suppliers of customers.

11. Competitive conditions.

Competitive conditions are as described under the Chapters titled "*Industry Overview*" and "*Business Overview*" beginning on pages 64 and 69, respectively of this Draft Prospectus.

FINANCIAL INDEBTEDNESS

| Name of the Lender | Credit Facility | Sanctioned Amount (Rs. in Lakhs) | Outstanding Amount as on September 30, 2023 (Rs. in Lakhs) | Interest Rate per Annum | BG / LC Commission | Combined Security |
|--------------------|--------------------------------|----------------------------------|--|---|--------------------|---|
| Axis Bank Limited* | SBB CGTMSE LIMIT (Cash Credit) | 2,000.00 | - | Repo Rate + 3.1 % i.e. 9.6% p.a. at present | - | Primary Security Hypothecation of Stocks and book debts |

***Terms and Conditions:**

a) Margin

1. 40% (Book Debts / Debtors)
2. 25% (Stock)

b) Special Terms & Condition:

1. 100% business transaction should be routed through axis bank only and axis bank will be the sole banker
2. Firm will not withdraw capital during the currency of bank finance.
3. Firm will not avail any secured / unsecured facility from anywhere without prior consent of Axis Bank
4. Interest shall be serviced within 5 days of interest due/debit
5. Non Compliance of any of the terms and conditions may attract 2% penal interest.
6. The borrower shall furnish to the bank, every year, two copies of audited \ unaudited financial statements immediately on being published \ signed by the auditors \ certified by CA.

c) Penal interest:

1. Any excess drawing (Other than what has been specifically approved in the scheme) will attract penal rate of 24% p.a. on the overdrawn amount over the drawing power \ limit.
2. Any irregularity on account of non-payment of interest \ installment on due date or Non realization of the bills on the date of payment will attract penal charges \ unrealized bills purchased \ discounted from the date of rectification \ regularization as the Bank may deem fit.
3. Non-compliance with the terms of sanction will attract penal charge of 2% p.a. on the amount of overdue installment \ interest \ charges \ unrealized bills purchased \ discounted from the date of happening of the regularity \ non-compliance till the date of rectification \ regularization as the bank may deem fit.
4. Non-Compliance with the terms of sanction will attract penal charges of 2% p.a. on the outstanding amount of the facility for the period of non-compliance.

| Name of the Lender | Credit Facility | Sanctioned Amount (Rs. in Lakhs) | Outstanding Amount as on September 30, 2023 (Rs. in Lakhs) | Interest Rate per Annum | Combined Security |
|-------------------------------|-----------------------------|----------------------------------|--|-------------------------|--|
| **Electronica Finance Limited | Working capital demand loan | 20.00 | - | 16% | First Charge by the way of hypothecation of stock and book debts or specified book debts First charge by way of hypothecation of machine already charged to EFL |

****Terms and Conditions:****Other Terms & Conditions**

1. Borrower to provide end use certificate within 15 days from every disbursement date
2. Borrower to provide operative bank account statements to EFL on quarterly basis
3. Audited financials to be provided within 180 days of the close of financial year
4. Statement showing secured and unsecured loans from any source to be submitted on a quarterly basis

Following are the details of unsecured loans/indebtedness of the Company:

(₹In Lacs except EMI)

| Sr | Name of the Lender | Credit Facility | Sanctioned Amount | Outstanding Amount as on September 30, 2023 | Interest Rate (%) | EMI |
|----|--|-----------------|-------------------|---|-------------------|--------|
| 1 | Hero Fincorp Limited | Working capital | 7.08 | 1.36 | 18% | 35360 |
| 2 | Aditya Birla Finance Limited | Working capital | 15.00 | 8.06 | 17.50% | 53854 |
| 3 | Poonawala Fincorp Limited | Working capital | 20.00 | 10.82 | 18% | 72561 |
| 4 | Choice FinServ private Limited | Working capital | 25.00 | 21.30 | 18% | 63484 |
| 5 | Mahindra and Mahindra Financial Services Limited | Working capital | 25.10 | 22.56 | 18.50% | 92036 |
| 6 | Ashv Finance Limited | Working capital | 30.00 | 26.79 | 19% | 109969 |
| 7 | Mas Financial Services Limited | Working capital | 50.00 | 47.89 | 18% | 180792 |

Following are the details of Promoter Loans

| Sr. no | Name of the Lender | Outstanding Amount as on September 30, 2023 (Rs. In lakhs) | Interest Rate (%) |
|--------|--------------------|--|-------------------|
| 1 | Abhishek Nathani | 7.57 | - |

OTHER FINANCIAL INFORMATION

Restated Ratios

| Ratio | Numerator | Denominator | June 30, 2023 | March 31, 2023 | % change from March 31, 2023 to June 30, 2023 |
|---|---|--|---------------|----------------|---|
| Current ratio | Current Assets | Current Liabilities | 1.63 | - | 100.00 |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 0.60 | - | 100.00 |
| Debt Service Coverage ratio* | EBDIT | Interest & Lease Payments + Principal repayments | 0.75 | - | 100.00 |
| Return on Equity ratio* | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 0.15 | - | 100.00 |
| Inventory Turnover ratio* | Revenue from sales of products | Average Inventory | 1.94 | - | 100.00 |
| Trade Receivable Turnover Ratio* | Revenue from operations | Average Trade Receivable | 1.44 | - | 100.00 |
| Trade Payable Turnover Ratio* | Cost of Purchase | Average Trade Payables | 1.74 | - | 100.00 |
| Net Capital Turnover Ratio* | Revenue from operations | Working capital | 1.04 | - | 100.00 |
| Net Profit ratio | Net Profit | Revenue from operations | 0.04 | - | 100.00 |
| Return on Capital Employed* | Earnings before interest and taxes | Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.07 | - | 100.00 |

Notes :

Reasons for variance of more than 25% in above ratios cannot be explained as period of 3 months of FY 23-24 cannot be compared with period of one year i.e FY 22-23.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal or Civil proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“Materiality Policy”), in each case involving our Company, Promoters and Directors (the “Relevant Parties”).

For the purpose of point (V) above, our Board has considered and pass the Resolution for identification of material litigation involving the Relevant Parties in its meeting held on August 10, 2023 and has considered for identification of material litigation involving the Relevant Parties.

In terms of the Materiality, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters since incorporation including outstanding action, and tax matters, would be considered ‘material’ if:

(a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹ 5.00 lakhs shall be considered material; or

(b) the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on August 10, 2023 determined that outstanding dues to creditors in excess of ₹ 5.00 lakhs as per the restated financials for the period ended June 30, 2023 shall be considered as material dues (“Material Dues”).

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Prospectus.

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at www.kiziapparels.co.in. It is clarified that for the purposes of the above, pre – litigations notices received by our Company Promoters, and the Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.

PART I –LITIGATIONS INVOLVING OUR COMPANY

A. LITIGATIONS AGAINST OUR COMPANY

1. Criminal Litigations
NIL
2. Civil Proceedings
Nil
3. Taxation Matters
NIL
4. Proceedings against Our Company for economic offences/securities laws/ or any other law
NIL
5. Penalties in Last Five Years
NIL
6. Pending Notices against our Company
NIL

7. Past Notices to our Company
NIL
8. Disciplinary Actions taken by SEBI or stock exchanges against Our Company
NIL
9. Defaults including non-payment or statutory dues to banks or financial institutions
NIL
10. Details of material frauds against the Company in last five years and action taken by the Companies.
NIL

B. LITIGATIONS FILED BY OUR COMPANY

- 1) Criminal Litigations
NIL
- 2) Civil Proceedings
NIL
- 3) Taxation Matters
NIL
- 4) Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law.
NIL

PART II –LITIGATIONS INVOLVING DIRECTOR(S) OF OUR COMPANY

A. LITIGATIONS AGAINST DIRECTOR(S) OF OUR COMPANY

- 1) Criminal Litigations

1. Flywing Cargo Private Limited: (SIT Notice)

Flywing Cargo Private Limited (hereinafter referred as the 'Flywing Cargo'), Ahmedabad was providing transportation services to M/s. Aakia Creations on regular basis from August, 2019 to May 2022. The Flywing Cargo has lodged a complaint to the Joint Commissioner, Special Investigation Team(SIT), Ahmedabad against the Aakia Creations on May 11, 2022 for non-payment of dues of Rs. 1,84,478 and requested the SIT to take necessary action in this regard. SIT has issued Notice u/s 91 of CRPC informing that M/s. Aakia Creations has not responded to their earlier legal notice and therefore asked our director i.e., Abhishek Nathani(proprietor of Aakia Creations) to attend the SIT investigation within 10 days w.e.f. November 14, 2022 with all the supporting documents for our statement before the SIT. The draft agreement for settlement is received from the M/s. Flywing Cargo and matter is under negotiation for final settlement.

2. An FIR has been lodged against our directors Mr. Abhishek Nathani and Mrs. Kiran Nathani by Mr. Chandan, Proprietor of M/s. Manish Embroidery under section 420, 406, 384 and 120-B on November 17, 2020 for non-payment of Rs. 59,572 for the semi-embroidery work services taken by the directors from M/s. Manish Embroidery. The matter is under investigation and in the stage of submission of filing the Final Report (FR) by the Police.

- 2) Civil Proceedings

1. Woven And Knits Vs. Aaika Creations and others

Woven and Knits (hereinafter referred as the 'W&K'), a fabric trading company operating its business in Noida, Uttar Pradesh. The W&K had supplied Fabrics/ materials to M/s. Aaika Creations and against which raised invoices during the period of February 06, 2019 to September 19, 2019. Total Material purchased from the W&K was worth Rs. 16,97,883. However, only a part payment of Rs. 12,112, Rs. 709 and Rs. 69,848 were made on 06.02.2019, 24.05.2019 and 22.08.2019 respectively leaving a balance of Rs

16,15,214/- .Thereafter the Aakia Creations had subsequently raised the issue of quality of the materials supplied and due to which didn't pay the amount. On 13.01.2022, the W&K had filed a case no. CS(Comm.) 12 of 2022 in the Commercial Court, Gautam Nagar District, Uttar Pradesh against the M/s. Aaika Creations and our director Mr. Abhishek Nathani(also promoter) and Ms. Kiran Nathani for recovery of Rs. 23,25,731 (Rs. 16,15,214 + Rs. 7,10,517 with an interest at the rate of 24% p.a. up to 31.07.2021). The next date of hearing (Exp. Arguments) is October 26, 2023.

The matter is currently pending before the Hon'ble Court.

2. Sampark India Logistics Private Limited Vs. Aaika Creations & other

Sampark India Logistics Private Limited, (herein after referred as the 'SIL') Haryana, was providing logistics services to M/s. Aaika Creations as per the agreed agreement dated 21.08.2019 and raised invoice for the services of Rs 2,17,198. However, the invoice was not cleared, on 08.02.2023 a legal notice has been received by M/s. Aaika Creations sent by the SIL to release the due amount. However, after many reminders and assurances the payment was due to the SIL. Therefore, the SIL have filed a Civil Suit bearing CIS No. CS/1559/2023 in the Court of Hon'ble Civil Judge, Senior Division, Faridabad against M/s. Aaika Creations and our promoter and Director Mr. Abhishek Nathani for recovery of Rs. 2,17,198 along with an interest of 24% Per annum, in respect of the logistics services provided by them to M/s. Aaika Creations for transporting materials from one place to another place as per agreed terms. The Next date of hearing is December 06, 2023.

The matter is currently pending before the Hon'ble Court.

3) Taxation Matters

A. Income Tax Matter

Abhishek Nathani

| Sr. No | Assessment Year | Intimation Details | Particular | Outstanding Demand (in Lacs) |
|--------------|-----------------|--|------------|------------------------------|
| 1. | 2020 | Intimation under Section 1431a of Income tax Act, 1961 | Demand | 0.78 |
| | | | Interest | 0.17 |
| Total | | | | 0.95 |

B. Income Tax Matters related to E-Proceedings

Except the following, there are no e-proceedings showing on the website of Income Tax against the Company, the amount has not been crystalized yet:

Abhishek Nathani

| Sr. No. | Defective Notice / Issue Letter | Return Acknowledgement No. | Assessment Year | Status |
|---------|---------------------------------|----------------------------|-----------------|---------|
| 1. | U/s 143(1)(a) | - | 2018-19 | Pending |

4) Past Penalties imposed on our directors
NIL

5) Proceedings initiated against our Directors for economic offences/securities laws/ or any other law
NIL

6) Directors on list of wilful defaulters of RBI
NIL

Please Note: *Considering all the litigation matter in the name of M/s. Aaika Creations (a proprietorship firm of our promoter and director Mr. Abhishek Nathani (the proprietor) which has been acquired by our Company on April 01, 2023 with all its assets and liabilities.)*

B. LITIGATIONS FILED BY DIRECTOR(S) OF OUR COMPANY

1) Criminal Litigations

M/s. Ravin Stylo Fabs India, Jaipur.

M/s. Aaika Creations had sold ladies garments till March, 2021 worth of Rs. 5,00,560 to M/s. Ravin Stylo Fabs India, Jaipur (hereinafter referred as the 'RSF'), on a credit time of 30 to 45 days against the above outstanding amount, only Rs. 1,43,436 was paid on March 24, 2021. However, later on Aaika Creations had supplied ladies garments worth Rs. 1,68,000 again on April 07, 2021 making the aggregate outstanding amount of Rs. 5,25,124. After severe and continuous follow-ups the RSF had paid again Rs.1,00,000 through online transfer on September 10, 2021. The RSF had issued a cheque no.: 463926 of Rs.1,50,000 dated October 10, 2021 but the same has bounced on account of "Insufficient Funds". Thus, Aaika Creations filed a case bearing no. 458/2022 under Section 138 and 141 under the Negotiable Instruments Act, 1881 of Rs.1,50,000 in the District and Session Court Jaipur Metropolitan I, Jaipur for recovery of Rs.1,50,000 with 100% penalty. The Court issued summons to the party in this matter. December 05, 2023 is the next date of hearing.

The matter is currently pending.

- 2) Civil Proceedings
NIL
- 3) Taxation Matters
NIL

PART III –LITIGATIONS INVOLVING PROMOTER(S) OF OUR COMPANY

A. LITIGATIONS AGAINST PROMOTER(S) OF OUR COMPANY

- 1) Criminal Litigations
NIL
- 2) Civil Proceedings
NIL
- 3) Taxation Matters

Other than stated in the Part II (A), there are no other taxation matter is out standing against our promoter.

- 4) Past Penalties imposed on our Promoters
NIL
- 5) Proceedings initiated against our Promoters for economic offences/securities laws/ or any other law
NIL
- 6) Penalties in Last Five Years
NIL
- 7) Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past
NIL
- 8) Adverse finding against Promoter for violation of Securities laws or any other laws
NIL

B. LITIGATIONS FILED BY PROMOTERS(S) OF OUR COMPANY

- 1) Criminal Litigations
NIL

2) Civil Proceedings

NIL

3) Taxation Matters

NIL

PART IV –LITIGATIONS INVOLVING SUBSIDIARY COMPANY:

AS ON DATE OF THIS DRAFT PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY SUBSIDIARY COMPANY.

PART V –OTHER MATTERS- NIL

PART IX –MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter - “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 135 of this Draft Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As on June 30, 2022, our Company had 85 creditors, to whom a total amount of ₹ 428.51 lakhs were outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated August 10, 2023, considered creditors to whom the amount due exceeds ₹ 5.00 lakhs as per our Company's restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

| Sr.No. | Particulars | Amount (₹. in Lakhs) |
|---------------|--|-----------------------------|
| 1. | Amount due to Micro and Small Enterprises. | - |
| 2. | Amount due to Material Creditors. | 404.63 |
| 3. | Amount due to Other Creditors. | 23.88 |
| | Total | 428.51 |

Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website: www.kiziapparels.co.in would be doing so at their own risk.

WILFUL DEFAULTER

Our Promoters and Directors have not been identified as a willful defaulter in terms of the SEBI ICDR Regulations as on the date of this Draft Prospectus.

GOVERNMENT AND OTHER STATUTORY APPROVALS

In view of the licenses, permissions, approvals, no-objections, certifications, registrations, (collectively "Approvals") from the Government of India and various statutory, regulatory, governmental authorities listed below, our Company have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business. It must be distinctly understood that in granting these Approvals, the Government of India and other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities. For further details in connection with the regulatory and legal framework within which we operate, please refer "Key Industrial Regulations and Policies" on page 84 of this Draft Prospectus.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

(A) Approvals for the Issue

Corporate Approvals

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on September 12, 2023 authorised the Issue subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution dated October 06, 2023 passed in the EGM under Section 62(1)(c) of the Companies Act, 2013 authorised the Issue.

In-principle approval from the Stock Exchange

3. The Company has obtained in-principle listing approval from the SME Exchange of the BSE Limited dated [●].

Agreements with CDSL and NSDL

4. The Company has entered into an agreement dated [●] with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
5. Similarly, the Company has also entered into an agreement dated [●] with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
6. The Company's International Securities Identification Number ("ISIN") is [●]

(B) Registration under the Companies Act, 1956/2013*:

| Sr. No. | Authority Granting Approval | Approval / Registration No. | Applicable Laws | Nature of Approvals | Validity |
|---------|--------------------------------------|--|---------------------|------------------------------|-----------------------|
| 1. | Registrar of Companies, ROC – Jaipur | U14109RJ2023PTC086522 Vide Certificate of Incorporation dated March 24, 2023. | Companies Act, 2013 | Certificate of Incorporation | Valid, till Cancelled |
| 2. | Registrar of Companies, ROC – Jaipur | U14109RJ2023PLC086522 Vide Certificate of Incorporation dated March 24, 2023. | Companies Act, 2013 | Certificate of Incorporation | Valid, till Cancelled |

(C) Registration under various Acts/Rules relating to Income Tax and Goods and Service Tax :


| Sr. | Authority Granting | Approval/ | Applicable Laws | Nature | Of | Validity |
|-----|--------------------|-----------|-----------------|--------|----|----------|
|-----|--------------------|-----------|-----------------|--------|----|----------|

| No. | Approval | Registration No. | | Approvals | |
|-----|--|------------------|--|---|-----------------------|
| 1. | Income Tax Department (PAN)* | AAKCK1030H | Income Tax Act, 1961 | Permanent Account Number | Valid, till Cancelled |
| 2. | Income Tax Department (TAN)* | JPRK07731D | Income Tax Act, 1961 | Tax Deduction and collection Account Number | Valid, till Cancelled |
| 3. | Central Board of Indirect Taxes & Customs* | 08AAKCK1030H1ZS | The Central Goods and Services Tax Act, 2017 | GST Certificate, Gujarat | Valid, till Cancelled |

(D) Registration and Approvals under Statutory and Regulatory Act(s):

| Sr. No. | Authority Granting Approval | Approval/Registration No. | Applicable Laws | Nature Of Approvals | Validity |
|---------|---|---------------------------|---|---|-----------------------|
| 1. | Employees' State Insurance Corporation* | 15000941590000999 | Employee State Insurance Act, 1948 | Registration with ESIC Authority | Valid, till cancelled |
| 2. | Employees' Provident Fund Organisation* | RJRAJ2885691000 | Employees' Provident Fund and Miscellaneous Provisions Act, 1952 | Employees' Provident Fund | Valid, till cancelled |
| 3. | Micro, Small and Medium Enterprises, Government of India* | UDYAM-RJ-17-0251876 | Entrepreneurs Memorandum for Setting up Micro, Small or Medium enterprise | Udyam Registration | Valid, till cancelled |
| 4. | Jaipur Municipal Corporation* | SCA/2023/14/134156 | Rajasthan Shops And Commercial Establishment Acts, 1958 | Shops and Establishments Certificate | Valid, till cancelled |
| 5. | Importer- Exporter Code* | AAKCK1030H | Foreign Trade (Developments and Regulations) Act, 1992 | Importer- Exporter Code Certificate | Valid, till cancelled |
| 6. | Factory Licence* | RJ/33850 | The Factories Act, 1948 | Registration and Licence to work a factory. | Valid, till cancelled |

(E) List of Trademarks applied but not yet registered*:

| Sr. No. | Date of Application | Trademark Application No. & Class | Mark | Status |
|---------|---------------------|-----------------------------------|--|---------------|
| 1. | 10/10/2023 | 4696558 Class 25 |  | Registered |
| 2. | 17/09/2018 | 3947433 Class 25 | ANUTARRA | Registered |
| 3. | 19/05/2023 | 5943277 Class 25 |  | Under Process |

Note: *The Approvals/Licenses/Registrations are in the previous name of the company i.e. Kizi Apparels Private Limited and company is taking necessary steps to get the same in the name of Kizi Apparels Limited.

FINANCIAL INFORMATION OF OUR GROUP COMPANIES

As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies which is covered under the applicable Accounting Standard (AS-18) as per the Restated Financial Statements of our Company. Further in addition to it, pursuant to a resolution of our Board dated October 10, 2023 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if any such company is an Associate Company of our Company or our Company is an Associate Company of such Company.

Based on the above, our Company does not have any group company as on the date of this Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE OFFER

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on September 12, 2023 subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1) (c) vis-à-vis of the Companies Act, 2013.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 62(1) (c) vis-à-vis of the Companies Act, 2013 at the EOGM of our Company held on October 06, 2023.

We have received In- Principle Approval from BSE SME vide their letter dated [●] to use the name of BSE in the Prospectus for listing of our Equity Shares on SME Platform of BSE. BSE Ltd is the Designated Stock Exchange.

PROHIBITION BY SEBI

Our Company, Promoters, Promoter Group and Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

CONFIRMATION

1. Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Prospectus.
2. Our directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our directors are associated as promoters or directors in past (5 five) years.

DECLARATION AS WILFUL DEFAULTERS & FUGITIVE ECONOMIC OFFENDER

Neither our Company, our Promoters, our directors, have been identified as a willful defaulter or a fugitive economic offender by the RBI or other government authorities.

ELIGIBILITY FOR THE ISSUE

Our company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up (face value) capital is not more than ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Platform", in this case being the "BSE SME"). Our Company also complies with eligibility conditions laid by SME Platform of BSE for listing of Equity Shares.

We confirm that:

1. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, the lead manager shall ensure that the issuer shall file copy of the draft Prospectus/prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus/Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this issue has been hundred percent (100%) underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see “General Information” on page 35 of this Draft Prospectus.
3. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire

application money will be unblocked forthwith. If such money is not unblocked within four working days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of four days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable laws.

4. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “General Information” on page 35 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Platform of BSE Limited which states as follows:

1. The issuer should be a Company incorporated Under Companies Act, 2013

Our Company is incorporated on March 24, 2023 under the Companies Act, 2013.

2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.

The post issue paid up capital (face value) of the Company will be ₹7.82 crores, less than ₹ 25 crores.

3. Positive Net Worth

(₹ in lakhs)

| Particulars | June 30, 2023 | March 31, 2023 |
|---|---------------|----------------|
| Net Worth as per Restated Financial Statement | 536.75 | 1.00 |

4. Net Tangible Assets of Rs. 150.00 Lakh

Our Net Tangible Assets as per the latest audited financial statements i.e. as on June 30, 2023 is ₹ 427.81.

5. Track Record

The company or the firm or the firm which have been converted into the company should have combined positive cash accruals (earnings before depreciation and tax) in any of the year out of last three years and its net worth should be positive.

The Company has positive Cash Accruals

(₹ in Lacs)

| Particulars | June 30, 2023 | March 31, 2023* | March 31, 2022* | March 31, 2021* |
|--------------------------------------|---------------|-----------------|-----------------|-----------------|
| Earnings before depreciation and tax | 30.96 | 64.05 | 31.99 | 12.47 |

*Note: Figures of March 31, 2023, 2022 and 2021 is considered from the Audited Financial of as M/s Aaika Creations, which is takeover by the company as per the terms and condition mentioned in the Business Purchase Agreement Executed dated June 01, 2023.

6. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company’s shares bear an ISIN No: [●]

7. Company shall mandatorily have a website.

Our Company has a live and operational website: www.kiziapparels.co.in

Certificate from the applicant company stating the following:

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.

There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to BSE for listing on SME Segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE Limited ("BSE SME").

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, INTERACTIVE FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER INTERACTIVE FINANCIAL SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 18, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED

As required, a copy of this Draft Prospectus has been submitted to BSE Limited. The Disclaimer Clause as intimated by the BSE Limited to us, post scrutiny of this Draft Prospectus will be produced by our Company in the Prospectus.

CAUTION- DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE LM

Our Company, our Directors, and the LM accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website: www.kiziapparels.co.in. or any website of any affiliate of our Company, any of the Group Companies, would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriters, and our Company. All information shall be made available by our Company and the LM to the public and investors at large including our website: www.kiziapparels.co.in and www.ifinservices.in would be doing so at their own risk and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere. None among our Company or any member of the Syndicate is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

DISCLAIMER IN RESPECT OF JURISDICTION

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, any FII sub-account registered with SEBI which is a foreign corporate or foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1933

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest

therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

LISTING

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE Limited.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform of BSE is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

(a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

CONSENTS

The written consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, the Lead Manager to the Issue, Underwriter, Registrar to the Issue, Market Makers and Banker's to Issue and Sponsor Bank to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of filing of the Prospectus for registration with the ROC. – **NOTED FOR COMPLIANCE**

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. D G M S & Co., Chartered Accountants., Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, restated financial statements dated October 12, 2023 and Statement of Tax Benefits dated August 21, 2023, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

Further, such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus. – **NOTED FOR COMPLIANCE**

EXPERT OPINION

Except for Peer Review Auditors' reports on the restated financial statements issued by M/s. D G M S & Co. Chartered; Accountants and Statement of Tax Benefits issued by M/s. D G M S & Co., Chartered Accountants; we have not obtained any other expert opinions.

PREVIOUS PUBLIC OR RIGHTS ISSUE

Company has not made any Public or Right issue during last five years.

COMMISSION OR BROKERAGE

We have not made any public issue in last five years. Hence, no sums have been paid or payable as Commission or Brokerage.

COMMISSION PAYABLE TO SCSBS

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However, in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹10 per ASBA Application Form processed by them.

CAPITAL ISSUE DURING THE LAST THREE YEARS

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

PERFORMANCE VIS-À-VIS objects;

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 43 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last 5 years and are an “Unlisted Issuer” in terms of SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies and Promoter Group Companies have their equity shares listed on any stock exchange.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Interactive Financial Services Ltd, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, and the website of Lead Manager at www.ifinservices.in

Disclosure of Price Information Of Past Issues Handled By Interactive Financial Services Ltd

| Sr. | Issue Name | Issue | Issue | Listing | Opening | +/- % | +/- % change | +/- % |
|-----|------------|-------|-------|---------|---------|-------|--------------|-------|
|-----|------------|-------|-------|---------|---------|-------|--------------|-------|

| No. | | Size (Cr) | Price (₹) | date | price on listing date | change in closing price, +/- % change in closing benchmark]-30th calendar days from listing | in closing price, +/- % change in closing benchmark]-90th calendar days from listing | change in closing price, +/- % change in closing benchmark]-180th calendar days from listing |
|-----|---|-----------|-----------|--------------------|-----------------------|---|--|--|
| 1. | Bhatia Colour Chem Limited (BSE SME) | 40.00 | 80 | March 24, 2022 | 40.00 | -36.50% (-0.69%) | -40.56% (-8.79%) | -30.00% (+2.68%) |
| 2. | Global Longlife Hospital and Research Ltd (BSE SME) | 49.00 | 140 | May 04, 2022 | 141.10 | -40% (+0.27%) | -43.64% (+4.39%) | -47.00% (+9.12%) |
| 3. | Rachana Infrastructure Ltd (NSE EMERGE) | 76.28 | 135 | June 10, 2022 | 138.00 | +62.44% (+0.09%) | +250.04% (+8.78%) | +716.59% (+16.17) |
| 4. | Dipna Pharmachem Limited (BSE SME) | 15.21 | 38 | September 08, 2022 | 32.00 | -41.05% -2.51% | -44.74% (+4.92%) | -61.97% (+0.90) |
| 5. | Pace E-Commerce Ventures Limited (BSE SME) | 66.53 | 103 | October 20, 2022 | 104.50 | -61.99% (+4.16%) | -72.91 (+2.45) | -77.89% (+1.20%) |
| 6. | Patron Exim Limited (BSE SME) | 16.68 | 27 | March 06, 2023 | 28.40 | -73.30% (-1.86%) | -64.37% (+4.26%) | +62.37% (+8.57%) |
| 7. | Prospect Commodities Limited (BSE SME) | 7.47 | 61 | March 20, 2023 | 61.00 | +11.89% (+3.64%) | +16.39% (+9.61%) | +16.85% (+17.72) |
| 8. | Sahana System Limited (NSE EMERGE) | 32.74 | 135 | June 12, 2023 | 163.00 | +10.59% (+4.50%) | +94.26% (+7.50%) | NA |
| 9. | Bizotic Commercial Limited (BSE SME) | 42.21 | 175 | June 23, 2023 | 180.00 | -67.91% (+5.41%) | -63.14% (+6.07%) | NA |
| 10. | Tridhya Tech Limited (NSE EMERGE) | 26.41 | 42 | July 13, 2023 | 42.00 | -1.19% (+0.07%) | NA | NA |
| 11. | Crop Life Science Limited (NSE EMERGE) | 26.73 | 52 | August 30, 2023 | 55.95 | NA | NA | NA |
| 12. | Vivaa Tradecom Ltd | 7.98 | 51 | October 12, 2023 | 40.80 | NA | NA | NA |

Sources: Share price data is from www.bseindia.com and www.nseindia.com

Note:

- The BSE Sensex is considered as the Benchmark Index

2. Prices on BSE /NSE are considered for all of the above calculations
3. In case 30th/90th/180th day are not completed
4. NIFTY50 has considered as the benchmark index of NSE

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

SUMMARY STATEMENT OF DISCLOSURE

| Financial year | Total no. of IPO | Total funds Raised (₹ Cr) | Nos of IPOs trading at discount on 30 th Calendar Day from listing date | | | Nos of IPOs trading at premium on 30 th Calendar day from listing date | | | Nos of IPOs trading at discount on 180 th Calendar day from listing date | | | Nos of IPOs trading at premium on 180 th Calendar day from listing date | | |
|----------------|------------------|---------------------------|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2021-22 | 1 | 40.00 | NA | 1 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 2022-23 | 6 | 231.17 | 2 | 2 | NA | 1 | NA | 1 | 3 | 1 | NA | 1 | NA | 1% |
| 2023-24 | 5 | 136.07 | 1 | NA | 1 | NA | NA | 1 | NA | NA | NA | NA | NA | NA |

Track Record of past issues handled by Interactive Financial Services Limited

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: www.ifinservices.in.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor

grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on August 10, 2023. For further details, please refer the chapter titled “*Our Management*” on page no. 95 of Draft Prospectus.

Our Company has also appointed Monica Jain the Company Secretary and Compliance Officer of our company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

Monica Jain

Company Secretary and Compliance Officer

Address: H-629, Phase- II, Sitapura Industrial Area, Sanganer,
Jaipur, 302022, Rajasthan, India

Tel No: 9983023939

Website: www.kiziapparels.co.in

E-mail: cs@kiziapparels.com

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, ROC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the ROC and/or any other authorities while granting its approval for the Offer to the extent applicable.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association shall rank Pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled "Main Provisions of the Articles of Association of our Company" beginning on page 195 of this Draft Prospectus.

Authority for the Present Issue

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 12, 2023 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on October 06, 2023 pursuant to section 62(1)(c) of the Companies Act.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "Dividend Policy" and “Main Provisions of Article of Association” beginning on page no 107 and 195 respectively of this Draft Prospectus.

Face Value and Issue Price

The face value of the Equity Shares is ₹10 each and the Issue Price is ₹ 25 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis for Issue Price” beginning on page 57 of the Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares. At any given point of time there shall be only one (1) denomination of Equity Shares of our Company, subject to applicable law.

Compliance with SEBI (ICDR) Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “Main Provisions of Articles of Association” beginning on page 195 of the Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by Emerge Platform of NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 6,000 Equity Share subject to a minimum allotment of 6,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

In accordance with Regulation 268 (1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within four (4) Working days of closure of Issue. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination Facility to Investor

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Offer

ISSUE OPENS ON [●]
ISSUE CLOSES ON [●]

- *In terms of Regulation 265 of ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.*
- *In terms of Regulation 266(3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the provisions of sub-regulation 266(1).*

In terms of the UPI Circulars, in relation to the Issue, the Lead Manager will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Offer Closing Date, the Issuer shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

In case of

- I. any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked.
- II. any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock;
- III. any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock;
- IV. any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any further notification from the SEBI after filing of this Draft Prospectus may result in changes in the timelines.

Submission of Application Forms:

| | |
|---|---|
| Issue period (except the Issue Closing Date) | |
| Submission and Revision of Application Form | Only between 10.00 a.m. and 5.00 p.m. IST |
| Issue Closing Date | |
| Submission and Revision of Application Form | Only between 10.00 a.m. and 3.00 p.m. IST |

On the Issue Closing Date, for uploading the Application Forms:

1. 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 03.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is

typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

In accordance with SEBI (ICDR) Regulations, 2018, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Emerge Platform of NSE may be taken as the final data for the purpose of Allotment.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation.

If the issuer does not receive the subscription of hundred per cent (100%) of the offer through Draft Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so offered under the Draft Prospectus, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond Four (4) Working Days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum (15% p.a).

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of NSE Limited.

Withdrawal of the Issue.

Our Company in consultation with the Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is registered with the RoC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Draft Prospectus.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page 43 of the Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 195 of the Draft Prospectus.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the Emerge Platform on a later date subject to the following:

- a) If the Paid-up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid-up Capital of our company is more than ₹ 10 crores and the capitalization of our equity is more than ₹25 crores and our company have been listed on Emerge Platform for at least two years, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this issue are proposed to be listed on the Emerge Platform of NSE Limited (Emerge Platform), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the Emerge Platform of NSE Limited for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus.

For further details of the agreement entered into between the company, the Lead Manager and the Market Maker please see "General Information" beginning on page 35 of the Draft Prospectus.

New Financial Instruments

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

Allotment of Equity Shares in Dematerialized Form

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, 2018 the trading of the Equity Shares shall only be in dematerialised form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Draft Prospectus:

- Tripartite agreement dated [●] among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated [●] among NSDL, our Company and the Registrar to the Issue

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is less than ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME platform of BSE Limited "BSE SME"). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 158 and 167 respectively of this Draft Prospectus.

Public issue of 26,58,000 equity shares of face value of ₹ 10.00/- each for cash at a price of ₹25 per equity share including a share premium of ₹15 per equity share (the "issue price") aggregating to ₹664.50 lakhs ("the issue") by our company.

| Particulars | Net Issue to Public | Market Maker reservation portion |
|---|---|--|
| Number of Equity Shares | 25,20,000* Equity Shares | 1,38,000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.81% of the Issue Size. 32.23% of the Post Issue Paid up capital | 5.19 % of the Issue Size 1.76 % of the Post Issue Paid up capital |
| Basis of Allotment/Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of 6000 Equity Shares and Further allotment in multiples of 6000 Equity Shares each. For further details, please refer to the section titled " <i>Issue Procedure</i> " on page 167 of this Draft Prospectus. | Firm Allotment |
| Mode of Application | Retail Individual Investors may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI Payment facility) shall apply through ASBA Only. | Through ASBA mode Only. |
| Minimum Application Size | <u>For QIB and NII:</u> Such number of Equity Shares in multiples of 6000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 <u>For Retail Individuals:</u> Such number of equity shares where application size is of at least 6000 Equity Shares. | 1,38,000 Equity Shares |
| Maximum Bid | <u>For QIB and NII:</u> Such number of Equity Shares in multiples of 6000 Equity Shares such that the Application Size does not exceed 25,20,000 Equity Shares subject to adhere under the relevant laws and regulations as applicable. <u>For Retail Individuals:</u> Such number of Equity Shares so that the Application Value does not exceed ₹ 2,00,000 | 1,38,000 Equity Shares |
| Mode of Allotment | Compulsorily in dematerialized mode | Compulsorily in dematerialized mode |
| Trading Lot | 6000 Equity Shares | 6000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |

| Particulars | Net Issue to Public | Market Maker reservation portion |
|------------------|--|----------------------------------|
| Terms of payment | In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant. | |

**50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹2,00,000 and the balance 50% of the shares are available for applications whose value is above ₹2,00,000.*

Note:

- 1. In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be Required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.*
- 2. Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
- 3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details, please refer chapter titled “Issue Procedure” beginning on page 167 of this Draft Prospectus.

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company, and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company, and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

Pursuant to the SEBI ICDR Regulations, 2018 the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 (“UPI Circular”) in addition to ASBA Process has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”), consequent reduction in timelines for listing in a phased manner. Further, SEBI vide its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 has notified Phase II for detail implementation refers below “Phased implementation of Unified Payments Interface”. Applicants applying through the ASBA process or UPI Mechanism should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs hence applicant shall ensure that ASBA Bank Account has sufficient Balance.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public

issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public Issue closure to listing is proposed to be reduced to three working days.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

Fixed Price Issue Procedure

The offer is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. Applicants will not have the option of getting allotment of the Equity

Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

Availability of Draft Prospectus/Prospectus and Application Forms

Copies of the Application Form and the Draft prospectus / Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour of Application Form |
|--|-----------------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)** | White* |
| Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)** | Blue* |

*Excluding electronic Application Form.

**Application Forms will also be available on the website of the NSE (www.nseindia.com). Same Application

Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSBs, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

Submission and Acceptance of Application Form

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”).

| Sr No. | Designated Intermediaries |
|---------------|--|
| 1. | An SCSB, with whom the bank account to be blocked, is maintained |
| 2. | A syndicate member (or sub-syndicate member) |
| 3. | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”) |

| | |
|----|---|
| 4. | A depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| 5. | Registrar to an issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Application Forms to SCSBs only

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|---|--|
| For Applications submitted by investors to SCSB: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may by blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For Applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment: | After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment: | After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account |

Stock exchange(s) shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real time, basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Who can apply?

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Mutual Funds registered with SEBI;
- VCFs registered with SEBI;
- FVCIs registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;

- Nominated Investor and Market Maker
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Overseas Corporate Bodies

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates/affiliates of Lead Manager

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis

Option to Subscribe to the Issue

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Application by HUF

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Application by Mutual Funds

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Application by Eligible NRIs/FII's on Repatriation Basis

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme ("PIS") is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

Application by FPIs

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the FPI Regulations, an FPI, by virtue of their investment manager being appropriately regulated,

may issue or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated Depository Participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

Application by SEBI registered VCFs, AIFs and FVCIs

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) Investee Company. A category III AIF cannot invest more than 10% of their investible funds in one (1) Investee Company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission. Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Application by provident funds/ pension funds

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their application, without assigning any reason thereof

Application by limited liability partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their application without assigning any reason thereof.

Application by Banking Companies

In case of Application made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are

required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks’ own paid-up share capital and reserves, whichever is less.

Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Application by Insurance Companies

In case of Application made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject their application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

Application by SCSBs

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Systemically Important Non-Banking Financial Companies

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Application under Power of Attorney

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate

from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.

- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories

Application by OCBs

In accordance with RBI regulations, OCBs cannot participate in this Issue.

Maximum and Minimum Application Size

1. For Retail Individual Applicants

The Application must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

2. For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 6,000 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. ASBA Applicants are advised to make their

independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in> For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

ASBA Process

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER /SCSBS /REGISTRAR AND SHARE TRANSFER AGENTS /DEPOSITORY PARTICIPANTS /STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.

Who can apply?

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

Terms of payment

The entire Issue price of ₹ 25 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment Mechanism

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.

Who can apply through UPI Mode:

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

Process

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: www.sebi.gov.in.

Blocking of Funds:

- a) Investors shall create UPI ID

- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

Unblocking of Funds:

- a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.

Rejection grounds under UPI Payment Mechanism

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account

List of Banks providing UPI facility

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

Electronic Registration of Applications

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
 1. Name of the Applicant;
 2. IPO Name;
 3. Application Form number;
 4. Investor Category;
 5. PAN (of First Applicant, if more than one Applicant);
 6. DP ID of the demat account of the Applicant;
 7. Client Identification Number of the demat account of the Applicant;
 8. UPI ID (RIIs applying through UPI Mechanism)
 9. Numbers of Equity Shares Applied for;
 10. Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 11. Bank account number
 12. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
7. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance

with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Withdrawal of Applications

RIIs can withdraw their applications until Issue Closing Date. In case a RIIs wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Signing of Underwriting Agreement

The issue is 100% Underwritten. For further details please refer to Section titled "General Information" on page no. 35 of this Draft Prospectus.

Filing of the Offer Document with the ROC

For filing details, please refer Chapter titled "General Information" beginning on page 35 of this Draft Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

Price Discovery & Allocation of Equity shares

- a) The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status details shall be available on the website of the Registrar to the Issue.

Issuance of Allotment Advice

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
2. Issuer will that:
 - I. the allotment of the equity shares; and
 - II. initiate corporate action for credit of shares to the successful applicant's Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.
3. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

Issuance of Confirmation Allocation Note (“CAN”)

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

Designated Date

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

General Instructions

Applicants are requested to note the additional instructions provided below.

Do's:

1. Check if you are eligible to apply as per the terms of the Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms. Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be), ensure that the Application Form is signed by the ASBA account holder (or the UPI- linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.

8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your application;
9. Ensure that you request for and receive a stamped acknowledgement of your application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected.
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
16. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
23. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using

incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

Don'ts:

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the BRLM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;
10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
22. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Instructions for completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

Applicant’s Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Payment by Stock Invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Other Instructions

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1st line) and applicant’s status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband’s name to determine if they are multiple applications.
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

- III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Book Running Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Our Company/ Registrar to the Issue, Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

Grounds for Technical Rejections

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d. PAN not mentioned in the Application Form;

- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Issue;
- h. Applications for number of Equity Shares which are not in multiples as stated in the chapter titled “Issue Structure”;
- i. Category not ticked;
- j. Multiple Applications as defined in the Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹2,00,000, received after 3.00 pm on the Issue Closing Date;
- y. Applications not containing the details of Bank Account and/or Depositories Account.
- z. Applications under the UPI Mechanism submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
- aa. Application submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) a tripartite agreement dated [●] with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated [●] with CDSL, our Company and Registrar to the Issue;

The Company’s shares bear an ISIN No: [●]

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant’s Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant’s beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

- e) If incomplete or incorrect details are given under the heading ‘Applicants Depository Account Details’ in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

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| <p>Kizi Apparels Limited Monica Jain Company Secretary and Compliance Officer Address: H-629, Phase- II, Sitapura Industrial Area, Sanganer, Jaipur, 302022, Rajasthan, India. Tel No: +91 99830 23939 Website: www.kiziapparels.co.in E-mail cs@kiziapparels.com</p> | <p>Bigshare Services Private Limited Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Center, Mahakali Caves Road, Andheri East, Mumbai-400093 Tel No: +91 22-62638200 Fax No +91 22-62638299 Website: www.bigshareonline.com E-Mail: ipo@bigshareonline.com Contact Person: Asif Sayyed SEBI Reg. No.: INR000001385</p> |
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Disposal of Applications

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 4 Working Days from the Bid/Offer Closing Date.

Impersonation

Attention of the Applicant is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”.

Section 447 of Companies Act, 2013 deals with 'Fraud' and prescribed a punishment of "imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud".

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

AT PAR FACILITY

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that "at par" facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

Grounds for Refund

Non-Receipt of Listing Permission

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Draft Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within four days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of forth days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvment of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond four days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

Minimum Number of Allottees

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

Mode of Refunds

- a) In case of ASBA Bids: Within 6 (six) Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any

excess amount blocked on Application, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.

- b) In the case of Applicant from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) In case of Investors: Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- I. **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- II. **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- III. **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- IV. **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicants account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- V. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Offer, shall be credited only to the bank account from which the Applicant Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to Draft Prospectus.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as may be specified by SEBI.

Completion of Formalities for listing & Commencement of Trading

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

BASIS OF ALLOTMENT

Allotment will be made in consultation with Stock Exchange (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
 - I. Each successful applicant shall be allotted 6,000 equity shares; and
 - II. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 6,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Draft Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
 - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled 'Basis of Allotment' of this Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

Basis of Allotment in the event of under subscription

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size which shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Undertaking by our Company

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
9. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period
10. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh draft prospectus with Stock Exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
11. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
12. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
13. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
14. That it shall comply with such disclosure and account norms specified by SEBI from time to time

Utilization of Issue Proceeds

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
2. Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction – Foreign Investment in India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall 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 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and 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 the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF KIZI APPARELS LIMITED

| Title of Article | Article Number | Content |
|--|----------------|--|
| I. PRELIMINARY AND INTERPRETATION | | |
| | 1. | <p>The Regulations contained in Table “F” in Schedule I of the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.</p> <p>(a)The marginal notes used in these Articles shall not affect the construction thereof.</p> <p>(b)In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the Companies Act 1956, so far as may be applicable. “Articles” means these articles of association of the Company or as altered from time to time. “Board of Directors” or “Board” means collective body of Directors of the Company. “Company” means KIZI APPARELS LIMITED “Depository” means and includes a Company as defined in the Depositories Act 1996. “Rules” means the applicable rule for the time being in force as prescribed in relevant sections of the Act. “Seal” means Common Seal of the Company. “Secretarial Standards” means standards provided by the Institute of Companies Secretaries of India. “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act 1956.</p> <p>(c)Words importing the masculine gender also include, where the context requires or admits, the feminine and neuter gender.</p> <p>(d)Words importing the singular number also include, where the context requires or admits, the plural number and vice-versa.</p> <p>(e)Unless the context otherwise requires, words or expression contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.</p> |
| II. SHARE CAPITAL AND VARIATION OF RIGHTS | | |
| | 1. | <p>Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at par or at a premium or at consideration otherwise than in cash and at such time as they may from time-to-time think fit. The Company may issue equity with voting rights and/or with differential rights as to dividend, voting or otherwise in accordance with the Rules and preference shares.</p> |
| | 2. | <p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue provide,</p> <p style="padding-left: 20px;">a) one certificate for all his shares without payment of any charges; or</p> <p style="padding-left: 20px;">b) several certificates, each for one or more of his shares, upon payment of such sum as may be prescribed for each certificate after the first.</p> <p>ii. Every certificate shall be under the seal and shall specify the shares to</p> |

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| | | <p>which it relates and the amount paid-up thereon.</p> <p>iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p> |
| | 3. | <p>i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of indemnity or such other documents as may be prescribed by the Board, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.</p> <p>ii. The provisions of the foregoing article relating to issue of certificates shall mutatis mutandis apply to debentures or other securities of the company.</p> |
| | 4. | <p>Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</p> |
| | 5. | <p>i. The company may exercise the powers of paying commissions conferred under the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required under the Act and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under the Act.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p> |
| | 6. | <p>If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply.</p> <p>(a) persons who, at the date of the offer, are holders of equity shares of the Company. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of other person or;</p> <p>(b) employees under the employees stock option or;</p> <p>(c) any person whether or not those persons include the persons referred to in clause (a) or clause (b) above;</p> |
| | 7. | <p>The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.</p> |
| | 8. | <p>Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.</p> |
| LIEN | | |
| | 9. | <p>(i) The company shall have a first and paramount lien—</p> <p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> |

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| | | <p>(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p> |
| | 10. | <p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made</p> <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p> |
| | 11. | <p>(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p> |
| | 12. | <p>(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p> <p>The provisions of these Articles relating to Lien shall mutatis mutandis apply to any other Securities including debentures of the Company.</p> |
| CALLS ON SHARES | | |
| | 13. | <p>(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>(iii) A call may be revoked or postponed at the discretion of the Board.</p> |
| | 14. | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments. |
| | 15. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. |
| | 16. | <p>(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. Per annum or at such lower rate, if any, as the Board may determine.</p> <p>(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p> |
| | 17. | (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these |

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| | | <p>regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p> |
| | 18. | <p>The Board-</p> <p>a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p> |
| TRANSFER OF SHARES | | |
| | 19. | <p>(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p> |
| | 20. | <p>(i) The Board may, subject to the right of appeal conferred by section 58 decline to register.</p> <p>(ii) The transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(iii) any transfer of shares on which the company has a lien.</p> |
| | 21. | <p>The Board may decline to recognise any instrument of transfer unless</p> <p>a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>c. the instrument of transfer is in respect of only one class of shares.</p> |
| | 22. | <p>On giving not less than seven days previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year. The provision of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> |
| TRANSMISSION OF SHARES | | |
| | 23. | <p>(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.</p> <p>(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p> |
| | 24. | <p>(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(ii) The Board shall, in either case, have the same right to decline or suspend</p> |

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| | | registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. |
| | 25. | <p>(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p> |
| | 26. | A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the company and the company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the company, but the company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit. |
| FOREFEITURE OF SHARES | | |
| | 27. | If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued |
| | 28. | <p>The notice aforesaid shall—</p> <p>a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p> |
| | 29. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. |
| | 30. | <p>(i) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p> <p>(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p> |
| | 31. | i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of |

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| | | <p>forfeiture, were presently payable by him to the company in respect of the shares.</p> <p>ii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.</p> |
| | 32. | <p>(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>(iii) The transferee shall thereupon be registered as the holder of the share; and</p> <p>(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p> |
| | 33. | <p>The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p> |
| ALTERATION OF CAPITAL | | |
| | 34. | <p>The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.</p> |
| | 35. | <p>(i) Subject to the provisions of the Act , the company may, from time to time,—</p> <p>(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p> |
| | 36. | <p>Where shares are converted into stock, —</p> <p>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</p> |
| | 37. | <p>The company may, subject to provisions of the Act, reduce in any manner and with, and subject to, any incident authorised and consent required by law,</p> <p>(a) its share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any share premium account.</p> |

| CAPITALISATION OF PROFITS | | |
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| | 38. | <p>(i) The company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</p> <p>(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>(iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation</p> |
| | 39. | <p>(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b) generally, do all acts and things required to give effect thereto.</p> <p>(ii) The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p> |
| BUY-BACK OF SHARES | | |
| | 40. | Notwithstanding anything contained in these articles but subject to the provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities. |
| GENERAL MEETINGS | | |
| | 41. | All general meetings other than annual general meeting shall be called extraordinary general meeting. |
| | 42. | <p>i. The Board may, whenever it thinks fit, call an Extra ordinary General Meeting.</p> <p>ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board</p> |

| PROCEEDINGS AT GENERAL MEETINGS | | |
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| | 43. | (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act. |
| | 44. | The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company. |
| | 45. | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting |
| | 46. | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting. |
| | 47. | On any business at any general meeting in the case of an equality of votes, whether on a show of hands, electronically or on a poll, the Chairman of the meeting shall have second or casting vote |
| ADJOURNMENT OF MEETING | | |
| | 49. | (i) The Chairperson may, suomotu and, in the absence of quorum shall adjourn the meeting from time to time and from place to place. (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (iv) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. |
| VOTING RIGHTS | | |
| | 50. | Subject to any rights or restrictions for the time being attached to any class or classes of shares, (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll or through voting by electronic means, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company |
| | 55. | A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once. |
| | 51. | i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. |
| | 52. | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll or through voting by electronic means, by his nominee or other legal guardian, and any such nominee or guardian may, on a poll, vote by proxy |
| | 53. | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. |
| | 54. | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid. |
| | 55. | i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. ii. Any such objection made in due time shall be referred to the Chairperson of |

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| | | the meeting, whose decision shall be final and conclusive. |
| PROXY | | |
| | 56. | The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for taking of the poll; and in default the instrument of proxy shall not be treated as valid. |
| | 57. | An instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act. |
| | 58. | A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used. |
| BOARD OF DIRECTORS | | |
| | 59. | The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The following shall be the first Directors of the Company: <ol style="list-style-type: none"> 1. ABHISHEK NATHANI – Director 2. KIRAN NATHANI- Director Subject to provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for Holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting. |
| | 60. | Subject to provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. |
| | 61. | <ul style="list-style-type: none"> • The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. • In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them • in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or • in connection with the business of the company. |
| | 62. | The Board may pay all expenses incurred in getting up and registering the company. |
| | 63. | The company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of under the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. |
| | 65. | All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine. |
| | 66. | Every director present at any meeting of the Board or of a committee thereof shall sign against his name in a book to be kept for that purpose. |
| | 67. | i. Subject to the provisions of the Act, the Board shall have power at any |

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| | | <p>time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</p> <p>ii. Such person shall hold office only up to the date of the next Annual General Meeting of the company but shall be eligible for appointment by the company as a Director at that meeting subject to the provisions of the Act.</p> |
| | 68. | <p>i. The Board may appoint an Alternate Director to act for a Director (herein after in this Article called “the Original Director”) during his absence for a period not less than three months from India. No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.</p> <p>ii. An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when Original Director returns to India.</p> <p>iii. If the term of office of the Original Director is determined before he return to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not the Alternate Director.</p> |
| | 69. | <p>i. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</p> <p>ii. The Director so appointed shall hold office only upto the date till which the Director in whose place he is appointed would have held office if it had not been vacated.</p> |
| NOMINEE DIRECTOR | | |
| | 70. | <p>Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to the any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding, then in that event any of the said financial institutions or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company. The aforesaid financial institutions or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he is a member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings.</p> |
| MANAGEMENT UNDER GENERAL CONTROL OF DIRECTORS | | |
| | 71. | <p>(i) The general control, management and supervision of the Company shall vest in the Board and the Board may exercise all such powers and do all such acts and things as the Company is by its Memorandum of Association or otherwise authorised except as are required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act, and of these presents and to any regulations not being inconsistent with these presents from time to time made by the Company in General Meeting, provided that no such regulation shall</p> |

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| | | <p>invalidate any prior acts of the Directors which would have been valid if such regulation had not been made.</p> <p>(ii) Subject to the provisions of the Act, the Director may borrow, raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they may think fit and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture-stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.</p> <p>(iii) Subject to the provisions of the Act, the Company may enter into any contract, arrangement or agreement in which a Director or Directors of the Company are, in any manner, interested.</p> <p>(iv) A Director, Managing Director, officer or employee of the Company may be or become a Director, of any company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such company except to the extent and under the circumstances as may be provided in the Act.</p> <p>(v) If the Directors or any of them or any other person, shall become personally liable for the payment of sum primarily due from the Company, the Board may subject to the provisions of the Act execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.</p> <p>(vi) A Director may resign from him office upon giving notice in writing to the Company.</p> |
| MANAGING DIRECTORS | | |
| | | <p>(i) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Whole Time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions , including liability to retire by rotation, as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors/Whole Time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be way of monthly remuneration and/ or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>(ii) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as “Joint Managing Director” or “Joint Managing Directors” or “Deputy Managing Directors” as the case may be.</p> <p>(iii) Subject to the provisions of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in the General Meeting and of the Central Government, if required.</p> |
| PROCEEDINGS OF THE BOARD | | |
| | 72. | <p>(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>(ii) A Director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p> |
| | 73. | <p>(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>(ii) In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.</p> |
| | 74. | The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the |

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| | | Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose. |
| | 75. | (i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chair person is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting. |
| | 76. | (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. |
| | 77. | (i) A committee may elect a chairperson of its meetings. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. |
| | 78. | (i) A committee may meet and adjourn as it thinks fit. (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote. |
| | 79. | All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director. |
| | 80. | Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, whether manually or electronically, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held. |
| CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER | | |
| | 81. | Subject to the provisions of the Act, — (i) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer. |
| | 82. | A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive officer, Manager, Company secretary or Chief Financial Officer. |
| THE SEAL | | |
| | 83. | (i) The Board shall provide for the safe custody of the seal. (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence. |

| DIVIDENDS AND RESERVE | | |
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| | 84. | The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board, but the Company in a general meeting may declare a lesser dividend. |
| | 85. | Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares as appear to it to be justified by the profits of the company. |
| | 86. | (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. |
| | 87. | (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. |
| | 88. | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company. |
| | 89. | (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. |
| | 90. | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. |
| | 91. | Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. |
| | 92. | No dividend shall bear interest against the company. |
| ACCOUNTS | | |
| | 93. | (i) The books of accounts and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules. (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting. |
| WINDING UP | | |

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| | 94. | <p>Subject to the applicable provisions of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p> |
| INDEMNITY | | |
| | 95. | <p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.</p> |
| GENERAL POWER | | |
| | 96. | <p>Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is authorised by its Articles, then in that case this Article authorises and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.</p> |

SECTION - X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at H-629, Phase- II, Sitapura Industrial Area, Sanganer, Jaipur, 302022, Rajasthan, India. between 10:00 a.m. and 5:00 p.m. (IST) on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

1. Material contracts for the Issue

1. Issue Agreement dated October 18, 2023 between our Company and the Lead Manager.
2. Registrar Agreement dated October 18, 2023 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated October 18, 2023 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated October 18, 2023 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [●] amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated [●] amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
7. Tripartite agreement dated [●] amongst our Company, National Securities Depository Limited and Registrar to the Issue.

2. Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated September 12, 2023 in relation to the Issue and other related matters.
3. Shareholders' resolution dated October 06, 2023 in relation to the Issue and other related matters.
4. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory & Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Underwriters to the Issue, Bankers to our Company, Banker to our Issue and Market Maker to include their names in this Draft Prospectus and to acting their respective capacities.
5. Peer Review Auditors Report dated October 12, 2023 on Restated Financial Statements of our Company for year ended on March 31, 2023.
6. The Report dated August 21, 2023 from the Statutory Auditors of our Company, confirming the Statement of Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus.
7. Audit Committees Resolution dated October 13, 2023 approving the KPI and Certificate from the Peer Review Auditor of the Company M/s. D G M S and Co., Chartered Accountants dated October 14, 2023 with respect to the KPIs disclosed in this Draft Prospectus.
8. Copy of Approval dated [●] from the SME Platform of BSE (BSE SME) to use their name in the prospectus for listing of Equity Shares.
9. Due diligence certificate submitted to BSE Limited dated October 18, 2023 from Lead Manager to the Issue.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

Signed by the Directors of the Company:

| Name | Designation | Signature |
|------------------|------------------------|-----------|
| Abhishek Nathani | Managing Director | Sd/- |
| Kiran Nathani | Executive Director | Sd/- |
| Avani Shah | Independent director | Sd/- |
| Juhi Sawajani | Independent Director | Sd/- |
| Rahul Sharma | Non-Executive Director | Sd/- |

Signed by:

| Name | Designation | Signature |
|---------------|--|-----------|
| Kiran Nathani | Chief Financial Officer | Sd/- |
| Monica Jain | Company Secretary and Compliance Officer | Sd/- |

Place: Ahmedabad

Date: October 19, 2023