

# VIDLI RESTAURANTS LIMITED

Reg Office:-D-09, Eastern Business District, LBS Road, Bhandup West, Mumbai 400078.  
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CIN: L55101MH2007PLC173446

Date: 1<sup>st</sup> October, 2021

To,  
**Listing Department**  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001.

**Scrip Code: 539659**  
**Scrip ID: VIDLI**

Dear Sir/Madam,

**Sub: Regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.**

With reference to raising of funds through issuance and allotment of equity shares for an aggregate amount of up to ₹6,49,50,000.00/- on right issue basis, this is to inform that the application, along with the necessary documents and the Draft Letter of Offer which was approved by the Rights Issue Committee yesterday, is submitted to BSE Limited via email on 30<sup>th</sup> September, 2021 and on BSE Listing portal on 1<sup>st</sup> October, 2021 for in-principle approval under Regulation 28(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The draft Letter of Offer is enclosed herewith.

This is for your information.

Thanking you,

Yours faithfully,  
For Vidli Restaurants Limited

Vidhi Vikram Kamat  
Managing Director  
DIN : 07038524  
Encl. a/a.



# VIDLI

Original Family Restaurant  
Acha Hai. Sacha Hai.

## VIDLI RESTAURANTS LIMITED

Our Company was originally incorporated on August 24, 2007, as a private limited company, under the name and style 'Kanisha Hotels Private Limited' under the provisions of the Companies Act, 1956, with the Assistant Registrar of Companies, Maharashtra, Mumbai. The name of our Company was changed to 'Vithal Kamats Restaurants Private Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on October 1, 2013. Subsequently, the name of our Company was further changed to 'Vidli Restaurants Private Limited' and a fresh Certificate of Incorporation pursuant to change of name was issued by the Deputy Registrar of Companies, Mumbai on February 26, 2015. Our Company was converted into a Public Limited Company pursuant to a Shareholders Resolution passed at an Extra-Ordinary General Meeting of the Company held on October 07, 2015 and the name of our Company was changed to 'Vidli Restaurants Limited', and a Certificate of Incorporation consequent upon conversion to public limited company was issued by the Deputy Registrar of Companies, Mumbai on November 23, 2015.

**Registered Office:** D-09, Eastern Business District, LBS Road Bhandup West, Mumbai – 400 078, Maharashtra, India;  
**Contact Details:** 022-64649797; **Contact Person:** Gauri Shivajirao Gabale, Company Secretary and Compliance Officer;  
**Email-ID:** cs@kamatsindia.com; **Website:** [www.kamatsindia.com](http://www.kamatsindia.com);

**PROMOTERS OF OUR COMPANY ARE VIDHI VIKRAM KAMAT, CONWY HOSPITALITY PRIVATE LIMITED, AND VITS HOTELS WORLDWIDE PRIVATE LIMITED  
FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY**

RIGHTS ISSUE OF UP TO [●] PARTLY PAID-UP\* EQUITY SHARES OF FACE VALUE OF ₹10.00/- (RUPEES TEN ONLY) ('EQUITY SHARES') EACH AT A PRICE OF ₹[●]/- (RUPEES [●] ONLY) PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●]/- (RUPEES [●] ONLY) PER EQUITY SHARE) ('ISSUE PRICE') ('RIGHT SHARES') FOR AN AMOUNT UP TO ₹6,49,50,000.00/- (RUPEES SIX CRORES FORTY-NINE LAKHS AND FIFTY THOUSAND ONLY) ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF VIDLI RESTAURANTS LIMITED ('COMPANY' OR 'ISSUER') IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, [●] ('ISSUE'). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE 141 OF THIS DRAFT LETTER OF OFFER.

\*Assuming full subscription

**PAYMENT METHOD FOR THE ISSUE**

AMOUNT PAYABLE PER RIGHT SHARE	FACE VALUE (₹)	PREMIUM (₹)	TOTAL (₹)
On Application	[●]	[●]	[●]
One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time	[●]	[●]	[●]
Total	[●]	[●]	[●]

**GENERAL RISK**

Investment in equity and equity related securities involves 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 this Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by Securities and Exchange Board of India ('SEBI') nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Investors are advised to refer 'Risk Factors' beginning on page 19 of this Draft Letter of Offer before investing in the Issue.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The existing Equity Shares of our Company are listed and traded on the BSE Limited. Our Company has received in-principle approvals from BSE for listing of the Right Shares pursuant to their letters dated [●]. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

**LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**

**CAPITALSQUARE**<sup>TM</sup>

Teaming together to create value

**CAPITALSQUARE ADVISORS PRIVATE LIMITED**

208, 2nd Floor, AARPEE Center, MIDC Road No 11, CTS 70, Andheri (E), Mumbai – 400093, Maharashtra, India;

**Contact Details:** +91-22-66849999/ +91-9874283532;

**Website:** [www.capitalsquare.in](http://www.capitalsquare.in);

**Email ID/ Investor Grievance ID:** [tanmoy.banerjee@capitalsquare.in](mailto:tanmoy.banerjee@capitalsquare.in),

[pankita.patel@capitalsquare.in](mailto:pankita.patel@capitalsquare.in);

**Contact Person:** Mr. Tanmoy Banerjee/ Ms. Pankita Patel;

**SEBI Registration Number:** INM000012219;

 **Bigshare Services Pvt. Ltd.**

**BIGSHARE SERVICES PRIVATE LIMITED**

1<sup>st</sup> Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059 Maharashtra, India;

**Contact Details:** 022 - 40430200 / 62638200;

**Fax Number:** 022 - 28475207 / 62638299;

**E-mail ID:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com);

**Investor grievance e-mail:** [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com);

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

**Contact Person:** Ashish Bhope;

**SEBI Registration Number:** INR000001385;

**ISSUE PROGRAMME**

**ISSUE OPENING DATE**

[●]

**LAST DATE FOR MARKET RENUNCIATION\***

[●]

**ISSUE CLOSING DATE\*\***

[●]

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

\*\* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### DEFINITIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, 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.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Vidli Restaurants Limited as the context requires, and references to ‘you’ are to the Eligible Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled ‘*Industry Overview*’, ‘*Statement of Tax Benefits*’, ‘*Financial Information*’, ‘*Outstanding Litigations, Defaults, and Material Developments*’ and ‘*Terms of the Issue*’ on page 62, 58, 76, 121, and 141 respectively, shall have the meaning given to such terms in such sections.

#### CONVENTIONAL/ GENERAL TERMS

Term	Description
Vidli Restaurants Limited/ the Company/ our Company	Vidli Restaurants Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, as amended from time to time;
We/ us/ our	Unless the context otherwise indicates or implies, refers to Vidli Restaurants Limited;
₹/Rs. /Rupees /INR	Rupees;
ASBA	Application Supported by Blocked Amount;
AY	Assessment Year;
AoA/ Articles of Association	The Articles of Association of Vidli Restaurants Limited, as amended from time to time;
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Section 177 of the Companies Act, 2013;
Audited Financial Statements	The audited financial statements of our Company prepared under GAAP for the Financial Years 2021, 2020, and 2019;
Auditors/ Statutory Auditors/ Peer Review Auditor	The current statutory auditors of our Company M/s. Anay Gogte & Co., Chartered Accountants;
Board of Directors/ Board	Board of Directors of our Company;
Companies Act	The Companies Act, 2013 and rules issued thereunder, as amended;
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Gauri Shivajirao Gabale;
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Ravindra L. Shinde;
Depositories Act	The Depositories Act, 1996 and amendments thereto;
DP/ Depository Participant	Depository Participant as defined under the Depositories Act;
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Vidli Restaurants Limited as on the Record Date;

Term	Description
Equity Shares	Equity share of the Company having face value of ₹10.00 (Rupees Ten only);
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ' <b>Our Management</b> ' beginning on page 72 of this Draft Letter of Offer;
ISIN	International Securities Identification Number being INE564S01019;
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to section titled ' <b>Our Management</b> ' beginning on page 72 of this Draft Letter of Offer;
MoA/ Memorandum of Association	The Memorandum of Association of Vidli Restaurants Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013;
Promoters	Vidhi Vikram Kamat, Conwy Hospitality Private Limited, and Vits Hotels Worldwide Private Limited;
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the BSE Limited under the SEBI (LODR) Regulations;
Registered Office	D-09, Eastern Business District, LBS Road, Bhandup West – 400078, Mumbai, Maharashtra, India;
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013;
Stock Exchange/ Designated Stock Exchange	BSE Limited;

## TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
AICTE	All India Council for Technical Education;
APEDA	Agricultural and Processed Food Products Export Development Authority;
ATM	Automated Teller Machines;
BCG	Boston Consulting Group;
BMI	Body Mass Index;
BRIC	Acronym that refers to the countries of Brazil, Russia, India, and China;
British thermal unit	A traditional unit of energy equal to about 1055 joules;
CAGR	Compound Annual Growth Rate;
CE	Capital Economics;
CII	The Confederation of Indian Industry;
DPIIT	Department for Promotion of Industry and Internal Trade
EDP	Entrepreneurship Development Programme;
EMDEs	Emerging Market and Developing Economies;
F & B	Food and Beverage;
FDI	Foreign Direct Investment;
FICCI	Federation of Indian Chambers of Commerce and Industry;
FIPB	Foreign Investment Promotion Board;
FPTC	Food Processing Training Centres;
FSSAI	The Food Safety and Standards Authority of India;

Term	Description
FY	Financial Year;
GCMMF	Gujarat Cooperative Milk Marketing Federation;
GDP	Gross Domestic Product;
GHP	Good Hygienic Practices;
GMP	Good Manufacturing Practices;
GST	Goods and Services Tax;
HACCP	Hazard Analysis and Critical Control Points;
HRD	Human Resource Development;
IBEF	India Brand Equity Foundation;
ICICI	Industrial Credit and Investment Corporation of India;
IMF	International Monetary Fund;
ISO	International Organization for Standardization;
JV	Joint Venture;
M&A	Mergers and Acquisitions;
MLPD	Million Litres per day;
MNC	Multi National Company;
MoFPI	Ministry of Food Processing Industries;
MOUs	Memoranda of Understanding;
NABARD	National Bank for Agriculture and Rural Development;
NCML	National Collateral Management Services Limited;
NMFP	National Mission on Food Processing;
NOC	No Objection Certificate;
NSDC	National Skill Development Corporation;
OECD	Organisation for Economic Cooperation and Development;
One Billion	Ten Thousand Lakhs;
One million	Ten Lakhs;
One Trillion	One Crore Lakhs;
PE	Private Equity;
PIB	Press Information Bureau;
POS	Point of Sale;
PPP	Purchasing Power Parity;
QSR	Quick Service Restaurant;
SEZ	Special Economic Zone;
Sq. ft.	Square Foot;
TCIL	Telecommunications Consultants India Limited;
TQM	Total Quality Management;
USA	United States of America;
USD	United States Dollar;
WEO	World Economic Outlook;

## ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Allot/Allotment/Allotted	Unless the context requires, the allotment of Right Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allottees	Persons to whom Right Shares are issued pursuant to the Issue;

Term	Description
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Right Shares pursuant to this Issue in terms of the Letter of Offer, being an ASBA Investor;
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP (instituted only for resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts), to subscribe to the Equity Shares at the Issue Price;
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application using the R-WAP or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue;
Application Money	Aggregate amount payable at the time of Application ₹[●] (Rupees [●] Only) in respect of the Right Shares applied for in this Issue at the Issue Price;
Application Supported by Blocked Amount or ASBA	Application used by ASBA Investors to make an application authorizing a SCSB to block the Application Money in the ASBA Account;
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Shareholders, as the case may be;
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020';
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●];
Bankers to the Issue Agreement	Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Right Shares will be Allotted to successful Applicants in the Issue, and which is described in the section titled ' <i>Terms of the Issue</i> ' beginning on page 141 of this Draft Letter of Offer;
Call(s)	The notice issued by our Company to the holders of the Right Shares as on the Call Record Date for making a payment of the Call Monies;
Call Money(ies)	The balance amount payable by the holders of the Rights Equity Securities pursuant to the Payment Schedule, being ₹[●] (Rupees [●] Only) per Rights Equity after payment of the Application Money;
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> ;
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable;

Term	Description
Designated Branches SCSB	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;in tmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;in tmId=35</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	This draft letter of offer filed with the Stock Exchange, in accordance with the SEBI (ICDR) Regulations, for their observations, vide SEBI circular bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, and SEBI ICDR (Fourth Amendment) Regulations, 2020, our Company has been exempted from filing the Draft Letter of Offer with SEBI. The Draft Letter of Offer dated Thursday, September 30, 2021;
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●];
Issue/ Rights Issue	Rights Issue of up to [●] Equity Shares of our Company for cash at a price of ₹[●] (Rupees [●] Only) per Right Shares not exceeding ₹[●] (Rupees [●] Only) on a rights basis to the Eligible Shareholders of our Company in the ratio of [●] ([●]) Right Shares for every [●] ([●]) Equity Shares held by the Eligible Shareholders of our Company on the Record Date i.e. [●]; On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price and the balance ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by the Board of Directors at its sole discretion, from time to time;
Issue Closing Date	[●];
Issue Opening Date	[●];
Issue Price	₹[●]/- (Rupees [●]) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Equity Share); On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price and the balance ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by the Board of Directors at its sole discretion, from time to time;
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating up to ₹[●]/- (Rupees [●]);
Lead Manager to the Issue	CapitalSquare Advisors Private Limited;
Letter of Offer/ LoF	The final letter of offer to be filed with the BSE Limited after incorporating the observations received from the BSE Limited on the Draft Letter of Offer;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renounee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 52 of this Draft Letter of Offer;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders who intend to renounce their Rights Entitlement in part or full and Renounees;



Term	Description
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations;
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●];
Payment Schedule	Payment schedule under which [●]% ([●] percent) of the Issue Price is payable on Application, i.e., ₹[●] (Rupees [●] Only) per Right Shares, and the balance unpaid capital constituting [●]% ([●] percent) of the Issue Price i.e., ₹[●] (Rupees [●] Only) will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
R-WAP	Registrar's web-based application platform accessible at [●], instituted as an optional mechanism in accordance with the R-WAP Circulars. This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an application despite their best efforts;
R-WAP Circulars	SEBI circulars bearing reference numbers 'SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020', read with 'SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020', 'SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021', and 'SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021';
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Right Shares, being [●];
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable;
Registrar to the Issue	Bigshare Services Private Limited;
Registrar Agreement	Agreement dated Thursday 30, 2021 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility;
Renouncees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. [●];
Retail Individual Investors/ RIIs	Individual Investors who have applied for Equity Shares for an amount not more than ₹2,00,000.00/- (Rupees Two Lakhs) (including HUFs applying through their Karta);
Rights Entitlement (s)/ Res	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [●] Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Shareholders. The Rights Entitlements are also accessible through the R-WAP and on the website of our Company;

Term	Description
Right Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment;
Self-Certified Syndicate Banks/ SCSB(s)	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> ;
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, and the R-WAP Circulars;
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;
Wilful Defaulter	A Company or person categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any Company whose director or promoter is categorized as such;
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Right Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI;

## ABBREVIATIONS

Term	Description
ADR	American Depository Receipt;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
BSE	BSE Limited;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) ;
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depositories Act	The Depositories Act, 1996;
DIN	Director Identification Number;
DP	Depository Participant;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;

Term	Description
EEA	European Economic Area;
EPS	Earning per Equity Share;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	Foreign Portfolio Investors;
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GDR	Global Depository Receipt;
GNPA	Gross Net Performing Assets;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles In India;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
INR / ₹ / Rs./ Indian Rupees	Indian Rupee, the official currency of the Republic of India;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
Mn / mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Account Non-resident external account;
NRI	Non-resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
OCB	Overseas Corporate Body;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent account number;

Term	Description
PAT	Profit after Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RoNW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956;
SCRR	Securities Contracts (Regulation) Rules, 1957;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
STT	Securities transaction tax;
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;

## NOTICE TO OVERSEAS INVESTORS

The distribution of the Letter of Offer, Abridged Letter of Offer and the Issue of Right Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Letter of Offer, Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of the Right Shares on a rights basis to the Equity Shareholders as on Record Date and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to such Eligible Shareholders who have provided an Indian address to our Company. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer/Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer/Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with BSE Limited for observations. Accordingly, the Right Shares may not be offered or sold, directly or indirectly, and the Letter of Offer/ Abridged Letter of Offer, and CAFs or any offering materials or advertisements in connection with this Issue may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, Abridged Letter of Offer, and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under such circumstances, Letter of Offer, Abridged Letter of Offer and CAFs must be treated as sent for information only and should not be acted upon for subscription to Right Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Letter of Offer, Abridged Letter of Offer and CAFs should not, in connection with the Issue of the Right Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Letter of Offer, Abridged Letter of Offer and CAFs is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Right Shares or the Rights Entitlements referred to in the Letter of Offer, Abridged Letter of Offer and CAFs. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Right Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Right Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

**The contents of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, and CAFs should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Right Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Right Shares regarding the legality of an investment in the Right Shares by such offeree or purchaser under any applicable laws or regulations.**

The rights and the Equity Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Letter of Offer or Abridged Letter of Offer, and the CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the Issue of Equity Shares on a rights basis to Eligible Shareholders of our Company on the Record Date and the Letter of Offer and CAF will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares will be deemed to have declared, represented, warranted and agreed,

1. That it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States, and
3. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which:

1. Does not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations;
2. Appears to our Company or its agents to have been executed in or dispatched from the United States;
3. Where a registered Indian address is not provided; or
4. Where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

## PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

### CERTAIN CONVENTIONS

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our 'Company', 'we', 'our', 'us' or similar terms are to Vidli Restaurants Limited or, as the context requires, and references to 'you' are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the audited Financial Statement of our Company which have been prepared in accordance with Indian GAAP, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled '*Financial Information*' beginning on page 76 of this Draft Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### CURRENCY OF PRESENTATION

All references in this Draft Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

***Please Note:***

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;

## FORWARD LOOKING STATEMENTS

We have included statements in this Draft Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’.

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

1. Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
2. General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
3. Changes in laws and regulations relating to the sectors and industry in which we operate;
4. Realization of Contingent Liabilities;
5. Occurrence of environmental problems and uninsured losses;
6. Increased competition in industries and sector in which we operate;
7. Factors affecting the industry in which we operate;
8. Our ability to meet our capital expenditure requirements;
9. Our ability to successfully implement our growth strategy and expansion plans and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
10. Fluctuations in operating costs;
11. Our ability to attract and retain qualified personnel;
12. Our failure to keep pace with rapid changes in technology;
13. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
14. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
15. Any adverse outcome in the legal proceedings in which we/our group companies are involved;
16. Other factors beyond our control;
17. Our ability to manage risks that arise from these factors;



18. Changes in Government policies and Regulatory actions that apply to or affect our business;
19. Conflicts of interest with affiliated companies, the promoter group and other related parties;
20. The performance of the financial markets in India and globally; and
21. We are affected by volatility in interest rates, adversely affecting our net interest income;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled '**Risk Factors**' beginning on page 19 of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially differ from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange' requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE Limited.

## SECTION II – SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled **‘Risk Factors’**, **‘Objects of the Issue’**, **‘Business Overview’** and **‘Outstanding Litigations, Defaults and Material Developments’** beginning on pages 19, 52, 66, and 121 of this Draft Letter of Offer, respectively.

### SUMMARY OF OUR BUSINESS

Our Company runs a chain of restaurants serving hygienic standardized food items in a quick serve format at various outlets on national highways, state highways and cities. Primarily, the business model of the Company is to grant the franchisee under Trade Marks to chain of restaurants serving standardized food items at various outlets on national highways, state highways and cities who operate in the format of Dine-in, Food Court and Kiosks. The Company also has venture in Multi Brand Kloud Kitchen, production of ready to eat food products and management and operation of F&B Outlet.

Our success depends on the value, perception and marketing of brands VITHAL KAMATS and KAMATS. Our ability to market and increase our franchisee network is significantly dependent on these brands. We believe that maintaining and enhancing the abovementioned brands is important for our competitive advantage. However, the abovementioned brands are not owned by us; nor do we have exclusive agreement with their owners for their usage.

For further details, please refer to the chapter titled **‘Business Overview’** beginning on page 66 of this Draft Letter of Offer.

### OBJECTS OF THE ISSUE

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in lakhs)
Gross Proceeds from the Issue#	619.50
Less: Estimated Issue related Expenses	30.00*
<b>Net Proceeds from the Issue</b>	<b>649.50</b>

# assuming full subscription and allotment

\*The Issue size will not exceed ₹6,49,50,000.00/- (Rupees Six Crores Forty-Nine Lakhs and Fifty Thousand Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1)	To acquire 31,45,510 (Thirty-One Lakhs Forty-Five Thousand Five Hundred and Ten) equity shares of face value of ₹10.00/- (Rupees Ten Only) representing 84.01% of the equity and voting share capital of Vitizen Hotels Limited;	408.91*
2)	Towards working capital requirements;	80.58*
3)	To meet Issue related expenses;	30.00*
4)	General Corporate Purposes#;	130.01*
	<b>Total Net Proceeds<sup>@</sup></b>	<b>649.50*</b>

\*To be determined on finalization of the Issue Price and shall be updated in the Letter of Offer at the time of filing with the BSE Limited;

#In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not in any event exceed 25.00%

(Twenty-Five Percent) of the Gross Proceeds (inclusive of the aforementioned fund requirement for General Corporate Purpose);

@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

For further details, please refer to the chapter titled '**Objects of the Issue**' beginning on page 52 of this Draft Letter of Offer.

## SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company through their letter dated Thursday, September 30, 2021, have confirmed that they intend to subscribe in part or to full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Right Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI (LODR) Regulations.

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

## FINANCIAL INFORMATION

The following table sets forth the summary financial information derived from the Audited Financial Statements, prepared in accordance with GAAP and the Companies Act, 2013, for the Financial Year ending March 31, 2021, and March 31, 2020.

(In ₹)

Particulars	For the Financial Year ending	
	March 31, 2021	March 31, 2020
Equity Share Capital	4,33,00,000	4,33,00,000
Net Worth	5,38,96,401	5,34,07,344
Total Income	3,02,34,028	4,91,69,045
Profit / (loss) after tax	4,89,057	16,26,147
Basic and diluted EPS (in ₹)	0.11	0.38
Net asset value per Equity Share (in ₹)	12.45	12.33
Total borrowings	80,87,970	66,61,197

## AUDITOR QUALIFICATIONS

For further details on auditor qualifications, please refer to section titled '**Financial Statements**' beginning on page 76 of this Draft Letter of Offer.

## OUTSTANDING LITIGATIONS

Nature of cases	Number of cases	Amount involved
<b>Litigations involving our Company</b>		
Litigation Involving Actions by Statutory/Regulatory Authorities	Nil	Nil
Litigation involving Tax Liabilities	Nil	Nil
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	01	Not ascertainable
Proceedings involving Material Violations of Statutory Regulations by our Company	01	Not ascertainable
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
<b>Litigation involving our Directors, Promoters and Promoter Group</b>	<b>Nil</b>	<b>Nil</b>
<b>Litigation involving our Group Companies</b>	<b>Nil</b>	<b>Nil</b>

For further details, please refer to section titled '*Outstanding Litigations, Defaults and Material Developments*' beginning on page 121 of this Draft Letter of Offer.

## RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '*Risk Factors*' beginning on page 19 of this Draft Letter of Offer.

## CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '*Financial Statements*' beginning on page 76 of this Draft Letter of Offer.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled '*Financial Statements*' beginning on page 76 of this Draft Letter of Offer.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby the our Directors and their relatives have financed the purchase, by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Draft Letter of Offer.

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

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Draft Letter of Offer.

### SECTION III – RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in ‘Business Overview’, ‘Industry Overview’, and ‘Financial Statements’ beginning on pages 66, 62, and 76 respectively in this Draft Letter of Offer, before making an investment in our Equity Shares.*

*The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic has adversely affected and may affect our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.*

*This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, ‘our’ refers to our Company.*

#### INTERNAL RISK FACTORS

1. ***The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition, and cash flows and further impact will depend on future developments, which are highly uncertain***

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. Currently, there is substantial medical uncertainty regarding COVID-19 and this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. In case due to any consequent wave of Coronavirus, if long-term lockdown is imposed in the country or the state in which we perform of business, we may face losses and our business operations could be severely impacted.

2. ***Our success depends significantly on the value, perception and marketing of brands namely ‘VITHAL KAMATS’, ‘KAMATS’, ‘Urban Dhaba – The Rich Taste of Punjab’, ‘Pepper Fry Veg Multi-Cuisine Kitchen – by Kamats’ and ‘Waah Malvan - Multi Brand Kloud Kitchen’.***

Our ability to market and increase our franchisee network is significantly dependent on brands like ‘VITHAL KAMATS’ and ‘KAMATS’. We believe that maintaining and enhancing the abovementioned brands is important for our competitive advantage. However, the abovementioned brands are neither owned by us; nor do we have any exclusive agreement with their owners for their usage. The Company has developed various other brands/ formats namely being, ‘Urban Dhaba – The Rich Taste of Punjab’, ‘Pepper Fry Veg Multi-Cuisine Kitchen – by Kamats’ and ‘Waah Malvan - Multi Brand Kloud Kitchen’, but they as on date not contribute significantly to the income/turnover of the Company.

Further, our business could be damaged by negative publicity or by claims or perceptions about the quality or safety of our outlets, food products, and quality of our suppliers or our services. Any unforeseen incidents such as litigation or negative publicity, affecting our business, franchisees, or suppliers, can hamper our image, customer perception, our revenue from operations etc.

Moreover, our success depends on various factors, including customer preference, our ability to maintain uniform quality of services and food, ambience, etc. across our outlets. As we continue to grow, our business by expanding our geographical reach, maintaining quality and consistency may be more difficult and we cannot assure you that our customer's confidence in us may not be affected.

Most of the outlets are managed by franchisees, who may misuse the abovementioned brands/trademarks and we may not be able to control such franchisees. Unauthorized use of the trademarks, including imitating or copying our products, by unrelated third parties may damage our reputation and brand. The measures we take to protect the trademarks may not be adequate to prevent unauthorized use by third parties, which may affect our image and in turn adversely affect our business, financial condition, results of operations and prospects.

**3. *We rely significantly on our agreement for use of copy right mark / trade mark with Dr. Vithal Kamat and Conwy Hospitality Private Limited for our business operations.***

The brands 'Vithal Kamats' and 'Kamats' are neither owned by us nor do we have an exclusive agreement with their owners for their usage. We significantly rely on our agreement for use of copy right mark and/or trade mark with Vithal Kamat and Conwy Hospitality Private Limited. These agreements provide us with a right to the copyrights, marks, logos such as Vithal Kamats, and Kamats for the existing and new restaurants, outlets, franchisee units, etc. on payment of royalty. The terms of both these agreements is for a period of 15 (Fifteen) years subject to fulfilment of certain conditions effective from October 12, 2013 until October 11, 2028 in case of Vithal Kamats while for Kamats, and from April 18, 2015 until April 17, 2030. The agreement may be terminated as a result of a breach of terms and conditions specified under these agreement by our Company, including, without limitation, due to our bankruptcy, our failure to make payments, etc. We would be unable to continue with our business operations as result of termination of the aforesaid agreements due to our default, or our inability to renew the agreement upon expiry of their terms thereby affecting our business and results of operations. For further details please refer to the section titled '**History and Corporate Structure**' beginning on page 67 of this Draft Letter of Offer.

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

Our Company commenced commercial operations from November, 2013. Thus, our Company has a very limited operating history from which one can evaluate our business, future prospects, and viability. Our future revenues and profitability are difficult to estimate and could fluctuate significantly and as a result the prices of our Equity Shares may be volatile. Further, our promoter director Vidhi Kamat is first generation entrepreneur, and her experience in managing and being instrumental in the growth of our Company is limited to the extent of her knowledge and experience and we cannot assure that this will not affect our business growth.

**5. *There are certain outstanding litigations filed by and against our Company.***

The details of litigation or proceedings filed by and against our Company, is scheduled as below:

Nature of cases	Number of cases	Amount involved
<b>Litigations involving our Company</b>		
<u>Proceedings involving issues of moral turpitude or criminal liability on the part of our Company</u> As on date of this Draft Letter of Offer, there are no proceedings involving issues of moral turpitude or criminal liability filed against our company. However, our Company has filed a criminal complaint with Learned Judicial Magistrate's First Class Court at Mulshi in the year 2021, against the accused with whom the Company	01	Not ascertainable

Nature of cases	Number of cases	Amount involved
has entered into a Franchisee Agreement on June 01, 2016, in terms of the relevant provisions of the Criminal Procedure Code, 1973, read with Indian Penal Code, 1860, Trademark Act, 1999, and Copyrights Act, 1957. In terms of the Franchisee Agreement, it has been observed by the Company during inspection that the accused had breached the specifications, service standards, and business practices whilst operating the restaurant. Presently, the said matter is pending and shall come up for hearing in due course.		
<u>Proceedings involving Material Violations of Statutory Regulations by our Company</u> Our Company has been in receipt of a notice dated April 26 2021, by Municipal Corporation of Greater Mumbai, under section 53(1) of the Maharashtra Regional and Town Planning Act, 1966, for carrying out unauthorized development at the registered office of our Company. Our Company is taking steps to carry out the conditions specified in the said notice, and the said matter is still pending as on date.	01	Not ascertainable

However, the said proceedings shall not materially affect the business, operations, financial conditions of our Company. For further details, please refer to section titled **‘Outstanding Litigations, Defaults and Material Developments’** beginning on page 121 of this Draft Letter of Offer.

6. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank. Further, the deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled ‘Objects of the Issue’.***

Our Company proposes to utilize the Net Proceeds for acquisition of shares, working capital requirements, and general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates.

As the Issue size shall be less than ₹100 Crores, under Regulation 82 of the SEBI (ICDR) Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoter shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

For further details, please refer to the section titled **‘Objects of the Issue’** on page 52 of this Draft Letter of Offer.

7. ***We are subject to risks associated with leasing space subject to long-term agreements and we may not be able to operate our outlets and franchisees successfully.***

Our outlets are set up on space taken on lease. Further, our franchisee may have also taken their premises on lease basis. There may be instances, wherein a number of lease agreements may not be duly registered or adequately stamped. The effect of inadequate stamping and non-registration is that the document is not admissible as evidence in legal proceedings, and parties to that agreement may not be able to legally enforce it, except after paying a penalty for inadequate stamping and non-registration. In the event of any dispute arising out of such unstamped or inadequately stamped and/or unregistered lease agreements, the franchisees may not be able to effectively enforce the leasehold rights arising out of such agreements which may have a material adverse impact on our business.

There may be a possibility, that our Company may not be able to identify suitable locations for the new food joint/ outlet and / or franchisee outlets or operate them successfully. And if such outlets are not profitable, and our Company

decides to close any of them, we may nonetheless be committed to performing our obligations under the applicable lease including, among other things, paying the base rent for the notice period or the termination fee. In addition, as our lease expire, we may fail to negotiate renewals, either on commercially acceptable terms or at all, which could cause us to pay increased occupancy costs or to close outlets in desirable locations or to shift them, which may not necessarily yield past results. These potentially increased occupancy costs and closed franchisee could materially adversely affect our business, financial condition and results of operations.

8. ***We have in past entered into related party transactions and we may continue to do so in the future.***

In the Financial Year ending March 31, 2021, and March 31, 2020, we have entered into several related party transactions with entities under common control and our directors. In addition, we have in the past also entered into transactions with other related parties. For further please refer to the section titled '**Financial Statements**' beginning on page 76 of this Draft Letter of Offer.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

9. ***We rely on the proficiency and skills of our personnel to maintain the quality of our service.***

The quality of our services at our outlets is crucial for the success of our business. This in turn depends on the proficiency and skills of our personnel. Our success also depends on our ability to retain and attract experienced and well-qualified employees, customer service, and kitchen staff. Though we have developed an in-house training academy to ensure maintenance of quality and uniformity of service, there can be no assurance that the personnel will adhere to the standards set forward by us. Any unforeseen deterioration in the quality of our service may significantly influence opening of new franchisee outlets and outlets and thereby affect our results of operations.

10. ***We generate major portion of our revenue from operations from franchisees located in Maharashtra region and any adverse developments affecting our operations in this region could have an adverse impact on our revenue and results of operations.***

A major portion of our total sales are generated from restaurant and franchisees located in Maharashtra, India. Currently, we have 39 (Thirty-Nine) franchised outlets. Under our franchise agreement our Company grants the right and license to use the marks, establish, and operate outlets using the marks and the system in the identified location. Though our Company takes great care in selecting franchisees there can be no guarantee that the franchisee will continue to work with us. Any significant loss of franchisees could materially and adversely affect our business, financial condition, results of operations, and prospects. Further, such geographical concentration of our franchisees and business outlets in Maharashtra heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region which may adversely affect our business prospects, financial conditions, and results of operations. We may not be able to leverage our experience in Maharashtra region to expand our operations in other parts of India.

If our existing franchisees joins a competitor or forms a competing company, our Company may consequently lose our proprietary know-how including pricing of our menu items, new restaurant launches and pricing relating to the procurement of raw material.

Additional factors such as competition, culture, regulatory regimes, business practices, business customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in Maharashtra, and our experience in Maharashtra may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to



successfully replicate success we have achieved in Maharashtra region to other markets outside Maharashtra may adversely affect our business prospects, financial conditions and results of operations. While our management believes that our Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**11. *Our ability to maintain our competitive position and to implement our business strategy is dependent to a significant extent on our senior management team and other key personnel.***

We depend on the expertise and services of our Directors, Promoters, and Key Managerial Personnel for the implementation of strategy for the business, its future prospect, and the operation of day-to-day activities of our Company. Furthermore, relationship of members of senior management are important for the conduct of our business. Competition for experienced management personnel in the hospitality sector is intense, the pool of qualified candidates is limited, and we may not be able to retain the services of our senior executives or key personnel or attract and retain high-quality senior executives or key personnel in the future. Consequently, there can be no assurance that these individuals will continue to make their services available to our Company in the future. Any significant loss of senior management or key personnel could materially and adversely affect our business, financial condition, results of operations, and prospects.

Additionally, if any member of our senior management team or any of our other key personnel joins a competitor or forms a competing company, we may consequently lose our proprietary know-how including pricing of our menu items, new restaurant launches, and pricing relating to the procurement of raw material.

**12. *There exists certain brands or entities whose names resemble to our existing brand.***

The following stated brands or entities do not belong to our Company and should not be associated with our Company; these brands are not owned or managed by our Company and thus investors should not relate or identify these brands to our business:

- (a) Natural owned by Kamaths Ourtimes Ice-creams Private Limited, in Mumbai popularly known as Kamath's Ice Cream;
- (b) KAMAT Restaurant in Bangalore since 1948;
- (c) Kamath Yatri Nivas, Murudeshwar, Bangalore, Kamat Vegetarian Restaurant, United Arab Emirates;
- (d) Kamats Suruchi, Singapore;

**13. *We may not be able to forecast our raw material procurement accurately.***

We generally procure raw materials based on forecasts and estimates prepared by our outlet managers in consultation with our area managers. These forecasts are generally based on past month sales and anticipated demand. Our inability to accurately forecast the demand would lead to excess or shortage in supply of raw materials which would have a material adverse impact on our revenue and profitability.

**14. *New outlets present increased risks due to our unfamiliarity with the area.***

To increase our Company's market reach and presence, our Company will continue to open our new outlets/franchisee units in areas where we have little or no experience. These areas may have different competitive conditions, consumer tastes and discretionary spending patterns than our existing locations, which may cause such outlets to be less fruitful than our existing outlets. Further, such outlets may also require additional overheads for which we may not have made provision for or monthly sales may be lower than the average monthly sales derived from our other outlets. Although, we carry in- depth research prior to setting-up an outlet, we cannot assure you that we may able to generate positive cash flows from such outlets.

15. ***Our inability to identify restaurant locations or set-up and operate new outlets profitably may adversely affect our business.***

Our area managers based on their experience and extensive research and study identify an ideal and prominent locations for restaurant. Such locations many-a-times may not be available due to various factors. Further, such locations may not be available at an acceptable cost or on acceptable terms or at all. Also, the location identification depends on experience and expertise of area managers, there can be instances wherein they may not identify prime locations.

Moreover, we have in the past and may in the future experience delays or higher-than-anticipated overheads in opening new outlets and franchisee outlets. We may also experience regulatory challenges or delays which are beyond our control in opening a new restaurant and franchisee outlets. We require a number of approvals, licences, registrations etc., for setting-up and operating a restaurant and franchisee outlets and failure to obtain or renew them in a timely manner may adversely affect our operations. For details about the approvals, licences, registrations, etc, required for setting-up and operating a restaurant, please refer to the section titled '**Government and Other Approvals**' beginning on page 123 of this Draft Letter of Offer.

We depend primarily on our ability to operate new and existing outlets and food joints/outlets on a profitable basis. Any cost escalations beyond our estimation may add up to our capital expenditure. We also cannot assure that such outlets will provide desired yield or will be profitable at all. Any such unforeseen event, may affect our business operations and thereby affecting our revenue and profitability.

16. ***We are dependent on third party suppliers for timely delivery of quality ingredients. However, we do not have any written agreements with them.***

Our Company has entered into various arrangements with suppliers for timely and quality delivery of raw materials. Further, our Company is dependent on third-party distributors, and suppliers for supply of raw materials and therefore, are subject to the risk such as shortages or interruptions in supply. We also cannot assure consistency in quality of raw materials in all our outlets over a period of time. Further, there can be no assurance that our suppliers will not prematurely terminate their arrangements with us or seek to vary the terms of such arrangements. Our suppliers may discontinue their operations with us or choose to work with our competitors on favourable terms. Any such adverse situations may hamper our business operations and thereby adversely affect our revenues.

17. ***We are susceptible to changes in raw materials costs.***

Our raw materials are mainly food products and ingredients. The prices of these raw materials are subject to price fluctuation due to various factors beyond our control, including but not limited to severe climatic conditions, outbreak of diseases, and government regulations, which may reduce supply and lead to increase in food and supply costs. In the event that we are unable to anticipate and react to changing food and supply costs by adjusting our purchasing practices or passing on any increase in such costs to our customers, our business, profitability and financial performance may be materially and adversely affected.

18. ***Negative publicity could adversely affect our revenue model and profitability. Further, we may not be able to control the quality of services offered by our franchisees.***

At present, our Company has outlets in Maharashtra, western and northern India. We expect this market to continue to account for a substantial portion of our revenues in the near future also. Our Company may, from time to time, receive negative publicity with respect to quality of our services or food, ambience, hygiene and safety, employee relationships, or other matters. We may in future experience adverse publicity as a result of employee misconduct, including employee theft. Any adverse publicity will create a negative image of our Company, irrespective of the fact that such allegations are true or not. The repercussion of such negative publicity may affect the revenue generation ability of all our outlets. This could lead to an adverse impact on our business, financial condition, results of operations, and prospects.

Quality control at franchisee is quite challenging. Though we take great care to make our franchisee adhere to the prescribed standards of quality, service, and cleanliness, there can be no assurance that our franchisee will adhere to the prescribed standards. Any such mismanagement and lapses at franchisee end can hamper our current as well as future business prospects and thereby affect our results from operations.

19. ***Our industry is labour intensive and our business operations may be materially affected by strikes, work stoppages, or increased wage demands by our employees or those of our suppliers.***

We believe that the hospitality industry faces competitive pressures in recruiting and retaining skilled and unskilled staff. Any shortage of skilled or unskilled personnel, or work stoppages caused by disagreements with staff could have an adverse effect on our business and results of operations. Our Company has taken efforts to maintain a lower attrition among our employees by promoting Sadhak-Chalak-Malak approach. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies and we may face the threat of labour unrest, work stoppages, and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

20. ***Our franchised outlets, present and proposed, are not owned by us and are taken on contractual basis by the Franchisees themselves. Non-renewal of lease or any deficiency in the title/ownership rights/development rights of the owners may adversely impact our operations.***

At present, we operate around 39 (Thirty-Nine) outlets on franchisee model and these outlets are not owned by our Company. These premises are owned by the franchisees itself or acquired by them on a contractual basis. Any non-renewal of lease or any deficiency in the title/ ownership rights of such third parties may lead to legal implications which can result in us having to vacate the premises or increase our cost of operations, thus affecting our operations.

In the recent years, real estate costs including rents have escalated significantly in many of our existing locations and may also escalate in new locations that we are proposing to enter and there can be no assurance that such significant increases in real estate costs will not continue to occur in the future. Our operating performance depends, in part, on our ability to secure such arrangement with our franchisees. Further, early termination of any of such arrangements could adversely affect our business, financial condition, results of operations, and our prospects.

There is no guarantee that we will be able to renew such arrangements or conclude new agreements on commercially acceptable terms. The loss of franchise outlets could have a material adverse effect on our business, financial condition, and results of operations.

21. ***The food service market is affected by consumer preferences and taste which are beyond our control. Any changes in these preferences and taste may lessen the demand for our products.***

Customer food consumption pattern and preferences vary from state to state. Our business can largely be affected by variations in the consumer preferences or pattern of consumption, including changes in consumer tastes, and consumer acceptance of our outlets, all of which may be caused by many factors that are generally beyond our control. If we are unable to adapt our products to successfully meet changes in consumer tastes and trends, our business and financial condition may be materially adversely affected.

22. ***Our revenues could be adversely affected if our Company would be unable to maintain distribution network.***

Our Company procures raw materials with the help of distribution network of various dealers/ retailers/ distributors. Our inability to maintain our existing distribution network or to expand it further as per the requirement of our proposed increased capacities, can adversely affect our operations.

23. ***We operate in a highly competitive environment and may not be able to maintain our market position, which may adversely impact our business, results of operations and financial condition.***

The food services industry is highly fragmented and subject to growing competition. There is increasing competition in respect of price, location, quality of food and services, etc. A growing, under-served market, such as India, is particularly attractive to new entrants, who may also offer new cuisines that appeal to consumer tastes. We may also face competition from the existing outlets willing to accept low margins on investment in order to enter new markets as well as from business conglomerates willing to cross-subsidise restaurant business in order to enter new markets. Further, we generally face competition from local outlets. As a result, in addition to national and regional restaurant chains, we also compete with smaller restaurant chains as well as individual outlets within the cities in which we operate. A significant increase in competition, whether from one new competitor or many, could exert downward pressure on prices, lower demand for our products and restaurant concepts, an inability to take advantage of new business opportunities and a loss of market share, all of which would adversely affect our business, financial condition, results of operations and prospects.

24. ***Our insurance policies do not cover all risks, specifically risks like terrorism, etc. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, standard fire and special perils, fidelity guarantee, plate glass insurance, etc. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

25. ***There are potential conflicts of interest with our Group Companies. Such conflicts of interest may have an adverse effect on our business, financial condition, results of operations and prospects.***

Our Promoter's spouse, Vikram Kamat is a shareholder and a director on the board of certain of our Group Companies. There can be no assurance that his role in such Group Companies will not present any conflicts of interest or potential conflicts of interest. The memorandum of association of certain of our Group Companies entitle such companies to undertake and carry out businesses that are similar or related to our business. There can be no assurance that such Group Companies will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. As a result, a conflict of interest may occur between our business and the businesses of our Group Companies which could have an adverse effect on our business, financial condition, results of operations, and prospects.

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

Our Company may retain all our future earnings, if any, for use in the operations, and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

27. ***Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Modernization and technology up-gradation is essential to provide better products. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations.

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

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

29. ***As the Equity Shares of our Company are listed on SME Platform of BSE Limited, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed on SME Platform of BSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavours to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into BSE Limited and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

30. ***We have not commissioned an industry report for the disclosures made in the section titled 'Industry Overview' and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled 'Industry Overview' beginning on page 62 of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

## ISSUE SPECIFIC FACTORS

1. ***Investment in Right Shares is exposed to certain risks. From the Call Record Date for each Call prior to the final Call, the trading of the Right Shares would be suspended for an applicable period under the applicable law. Further, the Right Shares will not be traded with effect from the Call Record Date for the final call fixed for the determination of the Investors liable to pay Call Monies, as determined by our Board at its sole discretion, from time to time. The holders of the Right Shares will not be able to trade in these securities till they are credited to the holders' account as fully paid-up. Further, until the subsistence of Right Shares, we may not be able to undertake certain forms of equity capital raising.***

The Issue Price is ₹[●] (Rupees [●] Only) per Rights Equity Share. On Application, Investors will have to pay ₹[●] (Rupees [●] Only) ([●]% ([●] percent) of the Issue Price) per Rights Equity Share. The balance amount will be payable by the Rights Equity Shareholders on subsequent Calls of ₹[●] (Rupees [●] Only) per Rights Equity Share, after payment of the Application Money.

The Right Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Right Shares. This may affect the liquidity of the Right Shares and restrict your ability to sell them.

If our Company does not receive the Call Money as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Equity Shareholders will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Right Shares, in accordance with the Companies Act, 2013 and our Articles of Association. In case our Company declares any dividend, Rights Equity Shareholders are only entitled to dividend in proportion to the amount paid-up, and the voting rights (exercisable on a poll) by Investors shall also be proportional to such investor's share of the paid-up equity capital of our Company. Therefore, the rights of holders of the Right Shares will not be *pari-passu* with the rights of the other shareholders of our Company in case of non-payment of Call Monies.

The ISIN representing partly paid-up Right Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call in respect of the partly paid-up Right Shares, such partly paid-up Right Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN for our fully paid-up Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of allottees to whom the notice for the Final Call would be sent. From the Call Record Date for each Call prior to the Final Call, the trading of the Right Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid-up Right Shares for which final Call have been made, would be suspended prior to the Call Record Date, for such period as may be applicable under the rules and regulations. Furthermore, the holders of the partly paid-up Right Shares will not be able to trade in these Equity Shares until they are credited to the holders' account as fully paid-up Right Shares. Similarly, for an applicable period, from the Call Record Date for each Call, the trading of the Right Shares would be suspended under the applicable law. Further, there is little history of trading of partly paid-up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Right Shares to fall and may limit ability of Investors to sell the Right Shares. There may also be a risk of the Right Shares not forming part of the index.

Further, until the subsistence of Right Shares, we cannot undertake further rights issues, further public offers or bonus issues. In terms of Regulation 62 and Regulation 104 of the SEBI (ICDR) Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI (ICDR) Regulations.

2. ***Our Company will not distribute the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the '**Offering Materials**') to such shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of

restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

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

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

**4. *Investors shall not have the option to receive Right Shares in physical form.***

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Right Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

**5. *SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '*Terms of the Issue*' on page 141 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:

- (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- (b) Equity Shares held in the account of IEPF authority; or
- (c) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- (d) Credit of the Rights Entitlements returned/reversed/failed; or
- (e) The ownership of the Equity Shares currently under dispute, including any court proceedings.

**6. *The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.***

In accordance with SEBI Rights Issue Circulars, a separate R-WAP facility accessible at [www.bigshareonline.com](http://www.bigshareonline.com), has been instituted for making an Application in this Issue by resident Investors (only in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see the paragraph titled '*Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process*' under the section titled '*Terms of the Issue*' on page 141 of this Draft Letter of Offer. Such payment gateways and mechanisms are faced with risks such as:

- (a) Keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- (b) Scaling up technology infrastructure to meet requirements of growing volumes;
- (c) Applying risk management policies effectively to such payment mechanisms;
- (d) Keeping users' data safe and free from security breaches; and
- (e) Effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of the COVID-19 pandemic. We cannot assure you that R-WAP will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or may be rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP.

**7. *The entitlement of Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.***

In accordance with the SEBI (ICDR) Regulations, the option to receive the Right Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI (ICDR) Regulations, i.e., May 10, 2019. Since, the Right Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Right Shares to be Allotted to the Applicants who have applied for Allotment of the Right Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

**8. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.



**9. You may be subject to Indian taxes arising out of capital gains on the sale of the Right Shares and Rights Entitlement.**

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian Company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 (Twelve) months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

Further, the Finance Act, 2019, which has been notified with effect from April 01, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, and the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019 and have come into effect from July 01, 2020.

The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

**10. You may not receive the Equity Shares that you subscribe in the Issue until 15 (Fifteen) days after the date on which this Issue closes, which will subject you to market risk.**

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 (Fifteen) days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

**11. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.**

In accordance with applicable laws and regulations and the requirements of the BSE Limited, in principle and final approvals for listing and trading of the Right Shares issued pursuant to this Issue will not be applied for or granted until after the Right Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Right Shares to be submitted. Accordingly, there could be a delay in listing the Right Shares on the BSE Limited. If there is a delay in obtaining such approvals, we may not be able to credit the Right Shares allotted to the Investors to their depository participant accounts or assure ownership of such Right Shares by the Investors in any manner promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Right Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, please refer to the section titled '*Terms of the Issue*' beginning on page 141 of this Draft Letter of Offer.

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

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

13. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

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

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

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

15. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

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

## **EXTERNAL RISK FACTORS**

1. ***The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus. A rapid increase in

severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, and loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

2. ***Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ('IFRS'), which investors may be more familiar with and consider material to their assessment of our financial condition.***

The Financial Statements of our Company for the Financial Year ending March 31, 2021, March 31, 2020, and March 31, 2019, have been prepared in accordance with the GAAP, the Companies Act, 2013.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

3. ***Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.***

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, and volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- (a) Any increase in Indian interest rates or inflation;
- (b) Any scarcity of credit or other financing in India;
- (c) Prevailing income conditions among Indian consumers and Indian corporations;
- (d) Changes in India's tax, trade, fiscal or monetary policies;
- (e) Political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- (f) Prevailing regional or global economic conditions; and
- (g) Other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

**5. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

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

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards (hereinafter referred to as 'ICDS'), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates

from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

The General Anti Avoidance Rules (hereinafter referred to as 'GAAR') have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect 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. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

**6. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

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

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

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect

our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

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

**9. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**10. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (hereinafter referred to as ‘GST’) regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure.

Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2020 (hereinafter referred to as ‘**Finance Act**’) on March 27, 2020, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020. 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 a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. 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. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 (hereinafter referred to as ‘**Bill**’) has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**12. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include, any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;



## SECTION IV – INTRODUCTION

### THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on Friday, September 17, 2021, in pursuance of Section 62 of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in ‘*Terms of the Issue*’ on page 141 of this Draft Letter of Offer.

<b>Equity Shares outstanding prior to the Issue</b>	43,30,000 Equity Shares;
<b>Right Shares offered in the Issue</b>	Up to [●] Right Shares;*
<b>Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	[●] Equity Shares;
<b>Rights Entitlement</b>	[●] Equity Shares for every [●] Equity Shares held on the Record Date;
<b>Record Date</b>	[●]
<b>Face Value per Equity Share</b>	₹10.00/- (Rupees Ten Only) each;
<b>Issue Price per Equity Share</b>	₹[●]/- (Rupees [●] Only) including a premium of ₹[●]/- (Rupees [●] Only) per Rights Equity Share
<b>Issue Size</b>	Up to ₹6,49,50,000.00/- (Rupees Six Crores Forty-Nine Lakhs Fifty Thousand Only)
<b>Terms of the Issue</b>	Please refer to the section titled ‘ <i>Terms of the Issue</i> ’ beginning on page 141 of this Draft Letter of Offer.
<b>Use of Issue Proceeds</b>	Please refer to the section titled ‘ <i>Objects of the Issue</i> ’ beginning on page 52 of this Draft Letter of Offer.
<b>Security Code/ Scrip Details</b>	ISIN: INE564S01019; BSE Scrip Code: 539659; BSE Scrip ID: VIDLI; ISIN for Rights Entitlements: [●]

\* For Right Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of 1 (One) additional Rights Equity Share each, if such Eligible Shareholders have applied for additional Right Shares over and above their Rights Entitlements;

### TERMS OF PAYMENT

Amount payable per Right Equity Share	Face Value	Premium	Total
On Application	₹[●]	₹[●]	₹[●]
On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time*	₹[●]	₹[●]	₹[●]
<b>Total</b>	<b>₹10.00/-</b>	<b>₹[●]</b>	<b>₹[●]</b>

\*Our Company shall have the right to call up the remaining paid-up capital in one or more Call(s), as determined by our Board at its sole discretion, from time to time;

### Issue Schedule

<b>Issue Opening Date</b>	[●]
<b>Last date for On Market Renunciation of Rights</b>	[●]
<b>Issue Closing Date</b>	[●]

## GENERAL INFORMATION

Our Company was originally incorporated on August 24, 2007, as a private limited company, under the name and style 'Kanisha Hotels Private Limited' under the provisions of the Companies Act, 1956, with the Registrar of Companies, Maharashtra, Mumbai. The name of our Company was changed to 'Vithal Kamats Restaurants Private Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on October 1, 2013. Subsequently, the name of our Company was further changed to 'Vidli Restaurants Private Limited' and a fresh Certificate of Incorporation pursuant to change of name was issued by the Deputy Registrar of Companies, Mumbai on February 26, 2015. Our Company was converted into a public limited company pursuant to a shareholders resolution passed at an Extra-Ordinary General Meeting of the Company held on October 07, 2015 and the name of our Company was changed to 'Vidli Restaurants Limited', and a Certificate of Incorporation consequent upon conversion to public limited company was issued by the Deputy Registrar of Companies, Mumbai on November 23, 2015. In the Financial Year ending on March 31, 2016, the Company was listed on the SME Platform of BSE Limited effective from Monday, February 15, 2016, bearing Scrip ID 'VIDLI', Scrip Code '539659', and ISIN 'INE564S01019'. The Corporate Identification Number of our Company is L55101MH2007PLC173446.

### REGISTERED OFFICE AND CORPORATE OFFICE OF OUR COMPANY

<b>Company</b>	Vidli Restaurants Limited;
<b>Registered Office Address</b>	D-09, Eastern Business District, LBS Road Bhandup West, Mumbai – 400 078, Maharashtra, India;
<b>Contact Details</b>	022-64649797;
<b>Email-ID</b>	<a href="mailto:cs@kamatsindia.com">cs@kamatsindia.com</a> ;
<b>Website</b>	<a href="http://www.kamatsindia.com">www.kamatsindia.com</a> ;
<b>Corporate Identification Number</b>	L55101MH2007PLC173446;
<b>Registration Number</b>	173446;

### ADDRESS OF THE REGISTRAR OF COMPANIES

#### The Registrar of Companies, Mumbai

100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, India

### BOARD OF DIRECTORS

Name	Designation	DIN	Address
Vidhi Vikram Kamat	Managing Director	07038524	C-1502, RNA Azzure, Prajakta CHSL, Kher Nagar, Bandra East, Mumbai – 400051, Maharashtra, India;
Nanette D'sa Ralph	Chairman and Independent Director	05261531	C-2903, Lloyds Estate Vidyalankar College Road, Wadla East, Near Dostia, Mumbai - 400037, Maharashtra India;
Kurian Pallathuseri Chandy	Independent Director	00855226	Room No. 602 A, 6 <sup>th</sup> Floor, Manavsthal II, Goregaon East, Mumbai - 400 063, Maharashtra India;
Arun Suresh Jain	Independent Director	07011393	A -1/202, Ostwal Park Co-operative Housing Society Limited, Opposite Jesal park, Bhayandar - East, Thane – 401105, Maharashtra India;

For further details of our Board of Directors, please refer to the section titled '*Our Management*' beginning on page 72 of this Draft Letter of Offer.

Company Secretary and Compliance Officer	Chief Financial Officer
<b>Gauri Shivajirao Gabale</b> D-09, Eastern Business District, LBS Road Bhandup West, Mumbai – 400078, Maharashtra, India; <b>Contact Details:</b> +91-7400058768; <b>Email-ID:</b> <a href="mailto:cs@kamatsindia.com">cs@kamatsindia.com</a> ;	<b>Ravindra L. Shinde</b> D-09, Eastern Business District, LBS Road Bhandup West, Mumbai – 400078, Maharashtra, India; <b>Contact Details:</b> +91-9870714850; <b>Email-ID:</b> <a href="mailto:ravindra.shinde@kamatsindia.com">ravindra.shinde@kamatsindia.com</a> ;
Statutory Auditors	Internal Auditor
<b>M/s. Anay Gogte &amp; Co</b> 1/F-6, Krishna Nagar, Chandavarkar Road, Borivali West, Mumbai – 400092, Maharashtra, India. <b>Firm Registration Number:</b> 100398W; <b>Contact Person:</b> Anay Gogte; <b>Membership Number:</b> 037046; <b>E-mail ID:</b> <a href="mailto:anaygogte@gmail.com">anaygogte@gmail.com</a> ; <b>Contact Details:</b> 022-28943101, 022-28903450;	<b>M/s P. S. Shetty &amp; Co</b> D Souza Compound, Behind Vihar Hotel, Near Santacruz Mansion 5B, Mumbai - 400055, Maharashtra India; <b>Contact Details:</b> 02226187245, 9820029867;
Lead Manager to the Issue	Registrar to the Issue/ Registrar and Share Transfer Agent
<b>CapitalSquare Advisors Private Limited</b> 208, 2 <sup>nd</sup> Floor, AARPEE Center, MIDC Road No. 11, CTS 70, Andheri (East), Mumbai – 400093, Maharashtra, India; <b>Contact Details:</b> +91-22-66849999/ 9874283532; <b>Website:</b> <a href="http://www.capitalsquare.in">www.capitalsquare.in</a> ; <b>Email ID/ Investor Grievance ID:</b> <a href="mailto:tanmoy.banerjee@capitalsquare.in">tanmoy.banerjee@capitalsquare.in</a> / <a href="mailto:pankita.patel@capitalsquare.in">pankita.patel@capitalsquare.in</a> ; <b>Contact Person:</b> Mr. Tanmoy Banerjee/ Ms. Pankita Patel; <b>SEBI Registration No:</b> INM000012219;	<b>Bigshare Services Private Limited</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400059 Maharashtra, India <b>Contact Details:</b> 022 - 40430200 / 62638200; <b>Fax Number:</b> 022 - 28475207 / 62638299; <b>E-mail ID:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> ; <b>Investor grievance e-mail:</b> <a href="mailto:rightsissue@bigshareonline.com">rightsissue@bigshareonline.com</a> ; <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> ; <b>Contact Person:</b> Ashish Bhope; <b>SEBI Registration Number:</b> INR000001385;
Banker to our Company	
<b>ICICI Bank Limited</b> [●] <b>Contact Person:</b> [●] <b>E-mail ID:</b> [●] <b>Contact Details:</b> [●] <b>Website:</b> [●]	<b>HDFC Bank Limited</b> [●] <b>Contact Person:</b> [●] <b>E-mail ID:</b> [●] <b>Contact Details:</b> [●] <b>Website:</b> [●]
Banker to the Issue and Refund Banker	
[●] [●] <b>Contact Person:</b> [●] <b>E-mail ID:</b> [●] <b>Contact Details:</b> [●] <b>Website:</b> [●] <b>SEBI Registration Number:</b> [●]	

## STATEMENT OF RESPONSIBILITIES

Not Applicable for the Issue size is up to ₹ 5,000.00 Lakhs.

## CONTACT PERSON FOR GRIEVANCES RELATING TO ISSUE RELATED MATTER

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, please refer to the section titled ‘*Terms of the Issue*’ beginning on page 141 of this Draft Letter of Offer.

## EXPERT

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

Our Company has received a written consent from our Statutory Auditors, M/s. Anay Gogte & Co, Chartered Accountants, to include their name in this Draft Letter of Offer and as an ‘expert’, as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated Thursday, September 30, 2021, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

## SELF-CERTIFIED SYNDICATE BANKS

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

## ISSUE SCHEDULE

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

<b>Last Date for credit of Rights Entitlements</b>	●
<b>Issue Opening Date</b>	●
<b>Last Date for On Market Renunciation of Rights Entitlements#</b>	●
<b>Issue Closing Date*</b>	●
<b>Finalization of Basis of Allotment (on or about)</b>	●
<b>Date of Allotment (on or about)</b>	●
<b>Date of credit (on or about)</b>	●
<b>Date of listing (on or about)</b>	●

Note:

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

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

Please note that if Eligible Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to

our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before the Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled '*Terms of the Issue*' beginning on page 141 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at [www.bigshareonline.com](http://www.bigshareonline.com) after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled '*Terms of the Issue*' beginning on page 141 of this Draft Letter of Offer.

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

#### **CREDIT RATING**

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

#### **DEBENTURE TRUSTEE**

As this proposed Issue is of Right Shares, the appointment of debenture trustee is not required.

#### **MONITORING AGENCY**

Since the Issue size does not exceed ₹10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation.

#### **APPRAISING ENTITY**

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

#### **UNDERWRITING**

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

#### **FILING**

SEBI vide its Amendment regulations i.e. SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. 28.09.2020, has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from Ten Crores to Fifty Crores. Since the size of this Issue falls under the threshold, the Draft Letter of Offer had been filed with the Stock Exchanges and will not be filed with SEBI.

## MINIMUM SUBSCRIPTION

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Objects of the issue being other than capital expenditure for a project; and
2. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group

## CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Draft Letter of Offer, prior to and after the proposed Issue, is set forth below:

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
<b>Authorized Equity Share capital</b>		
1,10,00,000 (One Crore Ten Lakhs) Equity Shares*	₹11,00,00,000.00/-	-
<b>Issued, subscribed and paid-up Equity Share capital before this Issue</b>		
43,30,000 (Forty- Three Lakhs Thirty Thousand) Equity Shares	₹4,33,00,000.00/-	-
<b>Present Issue in terms of this Draft Letter of Offer<sup>(a) (b)</sup></b>		
[●] ([●]) Issue of Equity Shares, each at a premium of ₹[●]/- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹[●]/- (Rupees [●] Only) per Equity Share	₹[●]/-	₹[●]/-
<b>Issued, subscribed and paid-up Equity Share capital after the Issue</b>		
[●] ([●]) Equity Shares		₹[●]/-
<b>Subscribed and paid-up Equity Share capital</b>		
[●] ([●]) fully paid-up Equity Shares		₹[●]/-
[●] ([●]) partly paid-up Equity Shares		₹[●]/-
<b>Securities premium account</b>		
Before the Issue		₹[●]/-
After the Issue <sup>(c)</sup>		₹[●]/-

Notes:

\*In 14<sup>th</sup> Annual General Meeting for the Financial Year ending March 31, 2021, held on Friday, September 17, 2021, the Company has received approval of the shareholders of the Company for increasing the authorized Equity Share capital of the Company from ₹5,00,00,000.00/- (Rupees Five Crores Only) divided in to 50,00,000 (Fifty Lakhs) Equity Shares to ₹11,00,00,000.00/- (Rupees Eleven Crores Only) divided in to 1,10,00,000 (One Crore Ten Lakhs) Equity Shares;

- (a) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on Friday, September 17, 2021;
- (b) Assuming full subscription for allotment of Right Shares;
- (c) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;

### NOTES TO THE CAPITAL STRUCTURE

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer;
- At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- As on the date of this Draft Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;

4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹[●] (Rupees [●] Only);

5. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares;

6. **Details of stock option scheme of our Company**

As on the date of this Draft Letter of Offer, our Company does not have a stock option scheme;

7. **Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**

As on the date of this Draft Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered;

8. **Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer**

Except acquisition of 95,000 Equity Shares by Conwy Hospitality Private Limited on Tuesday, December 29, 2020, none of the other members of the Promoter and Promoter Group of the Company have acquired any Equity Shares in the last one year prior to the filing of this Draft Letter of Offer;

9. **Intention and participation by the promoter and promoter group**

The Promoters of our Company through its letters dated Thursday, September 30, 2021, have confirmed that they intend to subscribe in part or to the full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Further, the Promoters and certain members of our Promoter Group may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

In case this Issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue;

In case this Issue remains unsubscribed, our Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws;



10. **Shareholding Pattern of our company**

The shareholding pattern of our Company as on March 31, 2021 is as follows:

a) Summary statement holding of specified securities

Category of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	3	27,38,000	27,38,000	63.23%	27,38,000	63.23%	27,38,000
(B) Public	168	15,92,000	15,92,000	36.77%	15,92,000	36.77%	15,92,000
(C1) Shares underlying DRs	--	--	--	--	--	--	--
(C2) Shares held by Employee Trust	--	--	--	--	--	--	--
(C) Non Promoter-Non Public	--	--	--	--	--	--	--
<b>Grand Total</b>	<b>171</b>	<b>43,30,000</b>	<b>43,30,000</b>	<b>100.00%</b>	<b>43,30,000</b>	<b>100.00%</b>	<b>43,30,000</b>

b) Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
<b>A1) Indian</b>	--	--	--	--	--	--	--
<b>Individuals/Hindu undivided Family</b>	<b>1</b>	<b>5,42,000</b>	<b>5,42,000</b>	<b>12.52%</b>	<b>5,42,000</b>	<b>12.52%</b>	<b>5,42,000</b>
Vidhi Vikram Kamat	1	5,42,000	5,42,000	12.52%	5,42,000	12.52%	5,42,000
<b>Any Other (specify)</b>	<b>2</b>	<b>21,96,000</b>	<b>21,96,000</b>	<b>50.72%</b>	<b>21,96,000</b>	<b>50.72%</b>	<b>21,96,000</b>
Conwy Hospitality Private Limited	1	14,21,000	14,21,000	32.82%	14,21,000	32.82%	14,21,000
Vits Hotels Worldwide Private Limited	1	7,75,000	7,75,000	17.90%	7,75,000	17.90%	7,75,000
<b>Sub Total A1</b>	<b>3</b>	<b>27,38,000</b>	<b>27,38,000</b>	<b>63.23%</b>	<b>27,38,000</b>	<b>63.23%</b>	<b>27,38,000</b>
<b>A2) Foreign</b>	--	--	--	--	--	--	--
<b>A=A1+A2</b>	<b>3</b>	<b>27,38,000</b>	<b>27,38,000</b>	<b>63.23%</b>	<b>27,38,000</b>	<b>63.23%</b>	<b>27,38,000</b>

c) Statement showing shareholding pattern of the Public shareholder

Category and name of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
<b>B1) Institutions</b>	--	--	--	--	--	--	--
<b>B2) Central Government/ State Government(s)/ President of India</b>	--	--	--	--	--	--	--
<b>B3) Non-Institutions</b>	--	--	--	--	--	--	--
<b>Individual share capital upto ₹2 Lacs</b>	<b>125</b>	<b>4,84,000</b>	<b>4,84,000</b>	<b>11.18%</b>	<b>4,84,000</b>	<b>11.18%</b>	<b>4,84,000</b>
<b>Individual share capital in excess of ₹2 Lacs</b>	<b>15</b>	<b>9,34,000</b>	<b>9,34,000</b>	<b>21.57%</b>	<b>9,34,000</b>	<b>21.57%</b>	<b>9,34,000</b>
Amit Subhash Mehta	1	76,000	76,000	1.76%	76,000	1.76%	76,000
Kurian Chandy	1	1,40,000	1,40,000	3.23%	1,40,000	3.23%	1,40,000
Mahesh Kandoi	1	1,03,000	1,03,000	2.38%	1,03,000	2.38%	1,03,000
Mohit Ramgopal Agrawal	1	47,000	47,000	1.09%	47,000	1.09%	47,000
Nirbhay Mahawar	1	1,35,000	1,35,000	3.12%	1,35,000	3.12%	1,35,000
Rahul Mahawar	1	63,000	63,000	1.45%	63,000	1.45%	63,000
Ratan Gupta	1	44,000	44,000	1.02%	44,000	1.02%	44,000
Tanvi Jignesh Mehta	1	1,18,000	1,18,000	2.73%	1,18,000	2.73%	1,18,000
<b>Any Other (specify)</b>	<b>28</b>	<b>174,000</b>	<b>1,74,000</b>	<b>4.02%</b>	<b>1,74,000</b>	<b>4.02%</b>	<b>1,74,000</b>
Bodies Corporate	5	41,000	41,000	0.95%	41,000	0.95%	41,000
Clearing Members	1	42,000	42,000	0.97%	42,000	0.97%	42,000
HUF	14	79,000	79,000	1.82%	79,000	1.82%	79,000
Non-Resident Indian (NRI)	8	12,000	12,000	0.28%	12,000	0.28%	12,000
<b>Sub Total B3</b>	<b>168</b>	<b>15,92,000</b>	<b>15,92,000</b>	<b>36.77%</b>	<b>15,92,000</b>	<b>36.77%</b>	<b>15,92,000</b>
<b>B=B1+B2+B3</b>	<b>168</b>	<b>15,92,000</b>	<b>15,92,000</b>	<b>36.77%</b>	<b>15,92,000</b>	<b>36.77%</b>	<b>15,92,000</b>

d) Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders(I)	No. of shareholder (III)	No. of fully paid up equity shares held(IV)	Total no. shares held (VII = IV+V+VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of equity shares held in dematerialized form (XIV)(Not Applicable)
C1) Custodian/DR Holder	--	--	--	--	--
C2) Employee Benefit Trust	--	--	--	--	--

e) Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company

Sr. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
--			Nil		

f) Details of Significant Beneficial Owners

Sr, No.	Details of SBO (I)		Details of registered owner (II)		Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: (III)					Date of creation / acquisition of significant beneficial interest# (IV)
	Name	Nationality	Name	Nationality	Whether virtue of					
					Equity Shares	Voting Rights	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
1.	Vidhi Vikram Kamat	Indian	Conwy Hospitality Private Limited	Indian		33.00%		No	No	May 22, 2015
2.	Vidhi Vikram Kamat	Indian	Vits Hotels Worldwide Private Limited	Indian		18.00%		No	No	May 22, 2015

Note = \* In case the nature of the holding/ exercise of the right of a SBO falls under multiple categories specified under (a) to (e) under Column III, multiple rows for the same SBO shall be inserted accordingly for each of the categories

# This column shall have the details as specified by the listed entity under Form No. BEN-2 as submitted to the Registrar.

g) Details of Public shareholders holding more than 1% of the pre-Issue paid up capital of our Company as on date of this Draft Letter of Offer

Category of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Kurian Chandy	1	1,40,000	1,40,000	3.23%	20,72,000	2.07%	20,72,000
Tanvi Jignesh Mehta	1	1,29,000	1,29,000	2.98%	19,69,608	1.97%	19,69,608
Nirbhay Mahawar	1	1,06,000	1,06,000	2.45%	18,10,400	1.81%	18,10,400
Mahesh Kandoi	1	1,03,000	1,03,000	2.38%	16,42,778	1.64%	16,42,778
Amit Subhash Mehta	1	76,000	76,000	1.76%	15,70,630	1.57%	15,70,630
Rahul Mahawar	1	54,000	54,000	1.25%	14,15,006	1.42%	14,15,006
Mohit Ramgopal Agrawal	1	47,000	47,000	1.09%	11,75,000	1.18%	11,75,000
Ratan Gupta	1	44,000	44,000	1.02%	11,50,854	1.15%	11,50,854
<b>Total</b>	<b>8</b>	<b>6,99,000</b>	<b>6,99,000</b>	<b>16.14%</b>	<b>6,99,000</b>	<b>16.14%</b>	<b>6,99,000</b>

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. To acquire 31,45,510 (Thirty-One Lakhs Forty-Five Thousand Five Hundred and Ten) equity shares of face value of ₹10.00/- (Rupees Ten Only) representing 84.01% of the equity and voting share capital of Vitizen Hotels Limited;
2. Towards working capital requirements;
3. To meet Issue related expenses;
4. General Corporate Purposes.

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

### ISSUE PROCEEDS

The details of Issue Proceeds are set forth in the following table:

		(₹ in Lakhs)
Particulars		Amount in ₹
Gross Proceeds from the Issue#		619.50
Less: Estimated Issue related Expenses		30.00*
<b>Net Proceeds from the Issue</b>		<b>649.50</b>

# assuming full subscription and Allotment;

\*The Issue size will not exceed ₹6,49,50,000.00/- (Rupees Six Crores Forty-Nine Lakhs and Fifty Thousand). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

### REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

			(₹ in Lakhs)
Sr. No.	Particulars	Amount	
1.	To acquire 31,45,510 (Thirty-One Lakhs Forty-Five Thousand Five Hundred and Ten) equity shares of face value of ₹10.00/- (Rupees Ten Only) representing 84.01% of the equity and voting share capital of Vitizen Hotels Limited	408.91*	
2.	Towards working capital requirements;	80.58*	
3.	To meet Issue related expenses;	30.00*	
4.	General Corporate Purposes#;	130.01*	
	<b>Total Net Proceeds</b>	<b>649.50*</b>	

#The amount to be utilized for General corporate purposes will not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds;

\*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the BSE Limited;

## UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

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

(₹ in Lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds in ₹	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2022
1.	To acquire 31,45,510 (Thirty-One Lakhs Forty-Five Thousand Five Hundred and Ten) equity shares of face value of ₹10.00/- (Rupees Ten Only) representing 84.01% of the equity and voting share capital of Vitizen Hotels Limited;	408.91*	408.00*
2.	Towards working capital requirements;	80.58*	20.00*
3.	To meet Issue related expenses;	30.00*	30.00*
4.	General Corporate Purposes#;	130.01*	20.00*
	<b>Total Net Proceeds*</b>	<b>649.50*</b>	<b>478.00*</b>

#The amount to be utilized for General corporate purposes will not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds;

\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio;

## MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

## DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

- To acquire 31,45,510 (Thirty-One Lakhs Forty-Five Thousand Five Hundred and Ten) equity shares of face value of ₹10.00/- (Rupees Ten Only) representing 84.01% of the equity and voting share capital of Vitizen Hotels Limited;**

Our Company being in receipt of the approval of the shareholders of the Company for the Related Party Transaction dated Friday, September 17, 2021 have proposed to enter into a Share Purchase Agreement with Conwy Hospitality Private Limited, one of the Promoter of our Company and Vitizen Hotels Limited, and proposes to utilize the Net Proceeds to purchase 31,45,510 (Thirty-One Lakhs Forty-Five Thousand Five Hundred and Ten) equity shares of face

value of ₹10.00/- (Rupees Ten Only) representing 84.01% of the equity and voting share capital of Vitizen Hotels Limited at a price of ₹13.00/- (Rupees Thirteen Only) per Equity Share. Pursuant to the said acquisition of Vitizen Hotels Limited equity shares by our Company, our Company shall have 84.01% shareholding in Vitizen Hotels Limited and Vitizen Hotels Limited shall become a material subsidiary of our Company.

Our Company believes that the strategic acquisition of Vitizen Hotels Limited through purchase of Vitizen Hotels Limited equity shares will boost the consolidated turnover and profitability of our Company giving our Company a whole wider opportunity of locations, geography, and improved scale of operations.

## 2. Towards working capital requirements

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of estimation of Working Capital Requirement (on a standalone basis), is as under:

	(₹ in Lakhs)			
Particulars	Audited	Estimated	Projected	Projected
<b>Current Assets</b>	[●]	[●]	[●]	[●]
Trade Receivables	[●]	[●]	[●]	[●]
Cash and Cash Equivalents	[●]	[●]	[●]	[●]
Short-term loans and advances	[●]	[●]	[●]	[●]
Other assets	[●]	[●]	[●]	[●]
Other Current Assets	[●]	[●]	[●]	[●]
<b>Total Current Assets (1)</b>	[●]	[●]	[●]	[●]
<b>Current Liabilities</b>	[●]	[●]	[●]	[●]
Trade Payables	[●]	[●]	[●]	[●]
Other Financial liabilities	[●]	[●]	[●]	[●]
Other Current Liabilities	[●]	[●]	[●]	[●]
Short Term Provision	[●]	[●]	[●]	[●]
<b>Total Current Liabilities (2)</b>	[●]	[●]	[●]	[●]
<b>Working Capital (1-2)</b>	[●]	[●]	[●]	[●]
<b>Source of Working Capital</b>	[●]	[●]	[●]	[●]
Short Term Borrowings	[●]	[●]	[●]	[●]
Company's Funds	[●]	[●]	[●]	[●]
Current Years Profits	[●]	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]	[●]
<b>Working Capital Requirement</b>	[●]	[●]	[●]	[●]
<b>Current Assets</b>	[●]	[●]	[●]	[●]
Sales	[●]	[●]	[●]	[●]
Trade Receivables	[●]	[●]	[●]	[●]
<b>Current Liabilities</b>	[●]	[●]	[●]	[●]
Purchase	[●]	[●]	[●]	[●]
Trade Payables	[●]	[●]	[●]	[●]



### 3. General Corporate Purpose

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

### 4. Expenses for the Issue

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Right Shares on the Stock Exchange. Our Company will need approximately ₹20,00,000.00/- (Rupees Twenty Lakhs Only) towards these expenses, a break-up of the same is as follows:

(Amount (₹ in Lakhs))

Activity	Estimated Expense	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of the Lead Manager	4.00	13.33%	0.62%
Fees of Registrar to the Issue	2.00	6.67%	0.31%
Fee to the legal advisor, other professional service providers and statutory fee	1.00	3.33%	0.15%
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	15.00	50.00%	2.31%
Statutory Advertising, Marketing, Printing and Distribution	2.00	6.67%	0.31%
Other expenses (including miscellaneous expenses and stamp duty)	6.00	20.00%	0.92%
<b>Total estimated Issue expenses*</b>	<b>30.00</b>	<b>100.00</b>	<b>4.62%</b>

\* Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.

### SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

We will be receiving [●].00% ([●] Percent) of the Net Proceeds on Application and the balance shall be received by our Company in subsequent Calls (the timing of which shall be determined by the Board of Directors at its sole discretion). Accordingly, our Company retains the right to utilize the Net Proceeds to meet the stated Objects. The following table lays out the detailed schedule of utilization of Net Proceeds in respect of the same upon receipt of (a) Application Money; and (b) Call Money

### SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

As on date, our Company has not deployed any funds towards 'Objects of the Issue'.

### APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

### STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

### BRIDGE FINANCING FACILITIES

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

### INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

### MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹10,000 Lakhs, in terms of Regulation 41(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Board of Directors of the Company would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Draft Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the Stock Exchange, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

### VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through 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 Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

**KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE**

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

**INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE**

The Promoters of our Company through its letters dated Thursday, September 30, 2021, have undertaken to subscribe, in part or in full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

Except, Kurian Pallathuseri Chandy, being the director and shareholder of the Company and Ms. Vidhi V. Kamat being the Managing Director and shareholder of the Company none of our Promoters, members of the Promoter Group and the Directors do not have any interest in the Objects of the Issue.

**OTHER CONFIRMATIONS**

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Group Companies, our Directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
**Vidli Restaurants Limited,**  
D-09, Eastern Business District,  
LBS Road Bhandup West,  
Mumbai – 400 078,  
Maharashtra, India.

Dear Sir,

**Subject: Proposed rights issue of equity shares of face value of ₹10.00 (Rupees Ten only) ('Equity Shares') of Vidli Restaurants Limited ('Company' and such offering, the 'Issue')**

---

This certificate is issued in accordance with the terms of our engagement letter dated Thursday, September 30, 2021 .

The preparation of the Statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

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

The Management of the Company has prepared 'Statement of possible special tax benefits' under direct tax laws i.e. Income Tax Rules, 1962 ('Income Tax Laws'), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India available to the Company and its shareholders.

The Company has requested us to confirm statement attached in the Annexure I and II, are available to the Company and its shareholders.

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

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

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

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

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

We hereby consent to the extracts of this certificate being used in the draft letter of offer / letter of offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

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

The above certificate shall not be used for any other purpose without our prior consent in writing and we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

**M/s. Anay Gogte & Co**

**Chartered Accountants**

**Firm Registration Number: 100398W**

CA. Anay Gogte

Partner

**Membership Number: 037046**

Date: Thursday, September 30, 2021

Place: Mumbai

UDIN: 21037046AAAHT3971

**Encl: As above**

## ANNEXURE I

**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO VIDLI RESTAURANTS LIMITED ('COMPANY') AND ITS SHAREHOLDERS****1. Under the Income Tax Act, 1961 ('Act')****a. Special tax benefits available to the Company under the Act**

There are no special tax benefits available to the Company.

**b. Special tax benefits available to the shareholders under the Act**

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

## Notes

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares;
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law;
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22;
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company;
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

**For and on behalf of Vidli Restaurants Limited**  
**Ravindra L. Shinde**

Date: Thursday, September 30, 2021  
Place: Mumbai

## ANNEXURE II

### STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO VIDLI RESTAURANTS LIMITED ('COMPANY') AND ITS SHAREHOLDERS

**1. Under the The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')**

**a. Special tax benefits available to the Company under the Indirect Tax**

There are no special indirect tax benefits available to the Company.

**b. Special tax benefits available to the shareholders under the Indirect Tax**

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

#### Notes

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

**For and on behalf of Vidli Restaurants Limited  
Ravindra L. Shinde**

Date: Thursday, September 30, 2021  
Place: Mumbai

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**SECTION VI – ABOUT THE COMPANY**

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**INDUSTRY OVERVIEW**

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

**GLOBAL ECONOMIC OUTLOOK**

Economic prospects have diverged further across countries since the April 2021 World Economic Outlook (WEO) forecast. Vaccine access has emerged as the principal fault line along which the global recovery splits into two blocs: those that can look forward to further normalization of activity later this year (almost all advanced economies) and those that will still face resurgent infections and rising COVID death tolls. The recovery, however, is not assured even in countries where infections are currently very low so long as the virus circulates elsewhere.

The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

Recent price pressures for the most part reflect unusual pandemic-related developments and transitory supply-demand mismatches. Inflation is expected to return to its pre-pandemic ranges in most countries in 2022 once these disturbances work their way through prices, though uncertainty remains high. Elevated inflation is also expected in some emerging market and developing economies, related in part to high food prices. Central banks should generally look through transitory inflation pressures and avoid tightening until there is more clarity on underlying price dynamics. Clear communication from central banks on the outlook for monetary policy will be key to shaping inflation expectations and safeguarding against premature tightening of financial conditions. There is, however, a risk that transitory pressures could become more persistent and central banks may need to take preemptive action.

Risks around the global baseline are to the downside. Slower-than-anticipated vaccine rollout would allow the virus to mutate further. Financial conditions could tighten rapidly, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated. A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline.

Multilateral action has a vital role to play in diminishing divergences and strengthening global prospects. The immediate priority is to deploy vaccines equitably worldwide. A \$50 billion IMF staff proposal, jointly endorsed by the World Health Organization, World Trade Organization, and World Bank, provides clear targets and pragmatic actions at a feasible cost to end the pandemic. Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to



boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions. These multilateral actions can be reinforced by national-level policies tailored to the stage of the crisis that help catalyze a sustainable, inclusive recovery. Concerted, well-directed policies can make the difference between a future of durable recoveries for all economies or one with widening fault lines—as many struggle with the health crisis while a handful see conditions normalize, albeit with the constant threat of renewed flare-ups.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021>)

## Overview

The food and beverages industry accounts for ~3% of India's GDP and is the single largest employer in the country, with more than 7.3 million workforce. The nationwide lockdown set this industry on a downward spiral with some predictions suggesting that nearly a quarter of all restaurants may shut down by the end of 2020. India's US\$50 billion restaurant industry is set to lose an ~US\$9 billion in 2020 according to the National Restaurant Association of India (NRAI).

To offset these challenges and regain profitability, the industry has been adapting and innovating since the lockdown was lifted. New service offerings and COVID hygiene protocols are emerging in the sector to gain customer confidence and lift revenues.

## Hygiene Standards

With restaurants slowly opening their doors for business and operating for limited hours in certain states, the question of safety with regards to ordering and dining in remains for the consumer. To beat this sentiment, all major food delivery apps have begun explicitly mentioning the hygiene standards of restaurants on their platforms. Food aggregators have observed that restaurants with good hygiene ratings have fared 20% better than those without. Also, food safety and hygiene in India has seen unprecedented growth in recent times. Temperature control, frequent sanitation, use of masks and safe packing mechanisms are the new norms in the food and beverages industry.

In addition to this, health and safety audit agencies are increasingly being employed to ensure standards and build consumer confidence. Such audits, at present, are not mandatory in India; however, the Food Safety and Standards Authority of India (FSSAI) has launched a 48-point checklist on hygiene ratings for restaurants to comply with; plans to set stringent hygiene standards and safety auditing protocols in the future.

## Contactless Solutions

Contactless solutions will be leveraged, along with self-service stations with an eye on health, safety and security norms. Some of the trending contactless solutions are delivery robots, digital menus and in-app ordering. The [hospitality sector](#) is employing technologies such as facial recognition and contactless biometric to enable guests to self-check-in and check-out, unlock rooms and activate elevators through facial scans.

The industry has used this downtime during the pandemic to invest in technologies, which are customer-centric to regain business traction. Contactless guest engagement has become a priority for the industry to facilitate automated conversational interaction between customers and service staff. Touchless solutions based on AI and digital payment options are likely to be the new normal for the hospitality sector and will change the industry standards for the post-COVID era.

## At Home Experiences

The implementation of physical distancing measures and risk of contracting COVID-19 have severely impacted the customer's desire to select in-dining experiences. Despite restaurants adopting all safety measures with 50% reduced capacity, the attendance remains low in urban and semi-urban areas. More and more food and beverages brands have started offering set or curated 'At Home' experiences to appeal customers. This trend was earlier being explored by a select few players as a niche offering, but since the pandemic, these experiences are becoming a mainstream service segment within the sector. It is estimated that a large segment of the population will opt for this service even after the pandemic is over to deal with the fear of another outbreak. Most hospitality brands will provide private catering services with the option of 'cooking at home' ingredient packages. This will fill the gap for consumers looking for indulgent gourmet experiences in the comfort of their homes.

## Gourmet Street Food Brands

India and its people are known for their love of street food—the sheer variety of options and flavours at reasonable prices. However, with cleanliness becoming the prime area of concern since the outbreak, street food has quickly declined to among the least preferred choices for eating out since the re-opening. This trend is likely to impact the industry for months even after the pandemic is over. The industry is forecasted to see a rise in gourmet street food brands in the organised sectors that can fill customer expectations of taste, hygiene and convenience of delivery.

## Vegan and Healthy Food Brands

Consumer preferences witnessed a strong shift towards vegan and organic food in 2019. In late 2019 and early 2020, many businesses launched with a focus on healthy, farm-to-table vegan menus. But with COVID-19 taking the world by storm, this trend is likely to become a lifestyle for many in the coming years.

Various [health and immunity boosting](#) factors of an organic, vegan diet is becoming increasingly popular considering the rising coronavirus caseload in the country. . Consequently, the market is expected to see a rise in 'vegan only' restaurants and brands promoting plant-based products. Given that the Indian diet is largely vegan-friendly, consumer transition and adoption is likely to be quick and fairly easy for most consumers.

## Chef-driven Delivery Restaurants

Most fine dining restaurants have shifted gears from focusing on in-dining experiences to delivery services. In long term, this will completely alter the landscape of delivery businesses in the country. Curating a better experience right from hygiene and safety to packing and customer-centric content will put forward a new wave of doing business in the food delivery sector.

Traditionally, customers have always connected better with brands with a consistent story that have been transparent about the team and chefs that work behind the scene to make their food. Transparency will be emphasised on and brand value of chefs will be leveraged during this transition.

## Cloud Kitchens

Owing to the decline in customer footfalls in the QSR sector, most businesses have started transitioning to a cloud kitchen model, which provides significant savings in infrastructure costs. This model is serviced by tie-ups with food aggregators offering online ordering and delivery options for customer convenience. However, the main challenge for operators in this segment is that they are solely dependent on promotions by food aggregators for getting customers aboard. According to a leading food aggregator, *"In India, takeaway and drive-through contributed ~1% of the overall*

*revenue of the restaurant industry as compared to 15-20% in the US and Europe during pre-COVID times. However, given the current trends in India, it is expected to go up to 15% over the next 6 months.”*

## **Conclusion**

The industry is headed for a transformation with digitisation at its core. Services will grow to become more personalised and customer-centric, creative service offerings will be launched, health and safety will be standardised, operations will become less labour intensive and balance sheets will become leaner. All these changes will elevate customer experience and set new standards for the industry in the post-COVID era.

(Source: <https://www.ibef.org/blogs/future-of-indian-food-and-beverage-industry-post-pandemic>)

## BUSINESS OVERVIEW

Our Company believes in providing quality food in hygienic surroundings at convenient locations for serving our customers better. Hygiene, quality and customer satisfaction are core concepts exercised by our team at all outlets which distinguishes us from local restaurants. Our hygienic and convenient locations, dedicated team efforts, quality of service and products are our strengths which help us work towards our long term vision of being largest, trusted and premium vegetarian family restaurants.

The Company is in the business of hospitality, food products and allied activities. Primarily, the business model of the Company is to grant the franchisee under Trade Marks. Currently, franchisee for Trade Mark “Vithal Kamats / Kamats”, ‘Urban Dhaba – The Rich Taste of Punjab’ – having Punjabi dhaba theme serving Indian, North Indian, veg and non-veg food with live music and live bar; ‘Pepper Fry Veg Multi-Cuisine Kitchen – by Kamats’ – a multi-cuisine restaurant and ‘Waah Malvan’ – which brings the unique taste of Malvan with a coastal cuisine are been granted. These are chain of restaurants serving standardized food items at various outlets on national highways, state highways and cities. The presence of the franchisee outlets is throughout India and majority in Maharashtra situated on highway and in city in the format of Dine-in, Food Court and Kiosks. As on March 31, 2021, there were 35 (Thirty Five) Franchise outlets in operation under the Trade Mark “Vithal Kamats / Kamats”, 2 (Two) franchise outlets in operation under ‘Urban Dhaba – The Rich Taste of Punjab’, 1 (One) franchise outlet in operation under ‘Pepper Fry Veg Multi-Cuisine Kitchen – by Kamats’ and 1 (One) franchise outlet in operation under ‘Waah Malvan’ brand.

The Company has built an outlet of ‘Multi Brand Cloud Kitchen’ with the concept of only delivery or takeaways and no actual store front or high street locations requirement. The said outlet has multiple brands of the Company to cater to different cuisines.

The Company also has a venture in production of ready to eat food products, variety of namkeens which include mini bhakarvadi, methi gathiya, kabuli chana, thikha boondi etc. which are available at the restaurants of the Company and are distributed through wholesalers, retail shops, sweet marts, etc.

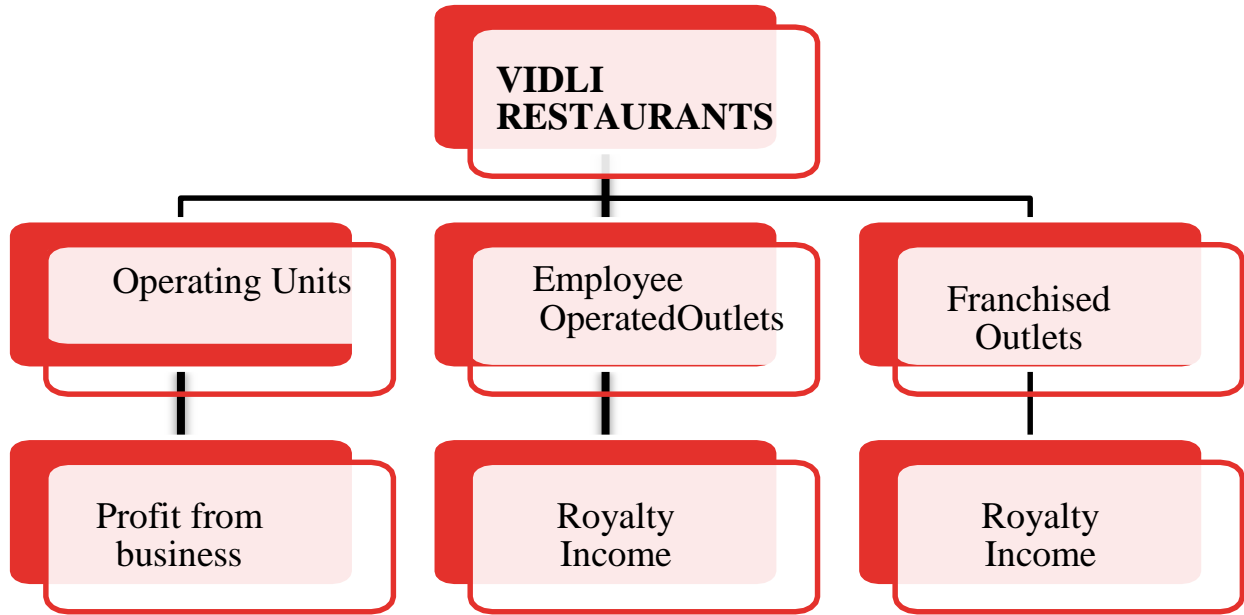
The Company has entered in an arrangement for management and operation of outlets in the Bharat Ratna Rajiv Gandhi District Sports Complex.

## OUR BUSINESS OPERATIONS

Our Company started its commercial operations in November 2013. Since then, the company started expanding its restaurant chain and concentrated on standardizing its products and services through centralized purchasing and training system.

## OPERATING MODEL

Our Company mainly operates through franchisee model.



## COMPETITIVE STRENGTHS

Hygienic environment, quality of services and products, effective project management, etc. have contributed to our success and given us a competitive edge over local competitors.

### 1. *Hygienic and Prominent Location of our outlets*

Our area manager identifies prominent location and conducts feasibility study of the location. We have a robust location selection process considering factors like location visibility, presence of competition, vehicle count etc. Based on such research, we move forward and develop the set-up. Further the outlets are developed as per our architectural manual. This helps us provide hygienic and safe environment to our customers.

### 2. *Sadhak-Chalak-Malak Approach*

We follow Sadhak-Chalak-Malak' approach in our business set-up. Under this concept, an employee first joins Kamat family as a staff i.e. Sadhak. Then capable employee is promoted to the level of manager i.e. he becomes a Chalak. Further, on gaining requisite experience, he is allowed to be the owner of the outlet i.e. he becomes the Malak of the restaurant. This enables us develop a long term bond and commitment with our employees.

### 3. *Effective Project Management*

A single area manager is in-charge of 10 outlets. On constant basis, the area manager conducts surprise visits of our outlets and reports the same to management. Additionally, we conduct mystery audits by external agency to review the performance. Any discrepancy in performance or operations, is reported to our management for remedial measures.

4. ***Standardised Procurement of Raw Materials***

We procure raw-materials like premix, gravy/paste etc. from select third party suppliers on centralised basis and then dispatch it to our various outlets as per their requirement. This helps us ensure serving of standard products at all our outlets.

5. ***Software Based Billing System***

All our outlets are provided with Point-of-Sale (POS) billing system. Daily sales report is generated through the software which is forwarded by outlet owner to area manager. This helps us keep a track on the revenue generated from an outlet on daily basis.

6. ***Quality Products and Services***

Standardised raw materials, on-job training, conducting mystery audits and such other measures ensure that our quality of products and services are never compromised.

7. ***In-house Training Academy***

We have an in-house training academy at Panvel wherein we train our employee to prepare our cuisines, operate POS billing system, Material Management System (MMS), quality and cost control etc. Further, the restaurant owners/ chefs are given an opportunity to attend paid Restaurant Manager Training Certification Program and Chef Training Certification Program for constant updation.

## **OUR STRATEGIES**

Our long term vision is to be the largest premium trusted vegetarian family restaurant chain serving best to our guests and delight them through dedicated and experienced team.

1. ***Penetrate our Presence through establishing new food joints in malls***

Currently, we have presence mainly in Maharashtra and Gujarat, and serve our customers majorly on national highways, state highways and cities. Our Company has 1 (One) outlet located in commercial mall located at Bhandup, Mumbai. We plan to expand our presence in the state of Maharashtra through opening 5 (Five) new company operating cloud kitchens food joints in Mumbai. We have already identified 1 location in Mumbai, Maharashtra and are in the process of identifying other location which will help expand our reach and presence in the state.

2. ***Penetrate our presence in exiting cities***

Currently we have presence in Maharashtra, Rajasthan, Gujarat, Uttar Pradesh and Madhya Pradesh. We plan to expand our presence in these cities by entering into new franchisees. We have already identified few franchisees located in Maharashtra and Gujarat which will help expand our reach and presence in the state.

3. ***Expand our reach by entering into new cities***

We plan to broaden our reach by expanding in new cities and towns where we currently have no operations. Our team constantly searches for new location by considering factors like location visibility, presence of competition, vehicle count etc. This will help us expand our footprint and increase our scale of operations.

4. ***Improving functional efficiency***

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development.

5. ***Leveraging our market skills and relationship***

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

## **MARKETING AND ADVERTISING STRATEGY**

One of the key elements of our business operations is our marketing strategy. Our marketing strategy is focused on understanding key aspects of consumer behavior and identifying opportunities. The core of our marketing strategy is to deliver product and service solutions to address these opportunities and to associate the Kamats brand with key consumer requirements. We follow Sadhak-Chalak-Malak' approach in our business set-up. Under this concept, an employee first joins Kamat family as a staff i.e. Sadhak. Then capable employee is promoted to the level of manager i.e. he becomes a Chalak. Further, on gaining requisite experience, he is allowed to be the owner of the outlet i.e. he becomes the Malak of the restaurant.

## **COMPETITION**

Restaurant industry in India is competitive and fragmented in nature. It is divided between organised and unorganised segments such as small, non-branded restaurants. Data relating to the unorganised segment is scarce and not reliable. The number, size and strength of competitors vary from location to location. There are a number of small operators in the catering and restaurant business. We believe that competition is based on, inter alia, quality and breadth of services and management talent, pricing, variety of cuisines offered, location, service innovation, hygiene, reputation within the industry and financial strength and stability.

1. ***List of Competitors***

We compete with smaller restaurant chains as well as individual restaurants within the cities and towns in which we operate.

2. ***Area of Competition***

Competition is based on a number of factors viz. price, type of cuisine, quality of food, quality of service, brand and outlet location, etc. Competition within the family dining segment, however, focuses mainly on the quality of food and service and ambience.

## **PRICING POLICY**

Our pricing policy is generally based on the costs of operation and raw materials, marketing analysis, client's requirement and our competitive position. We review our pricing on contract signing or on renewal basis. For our restaurant business we review our menu pricing from time to time, including when prompted by price fluctuations of our raw materials.

## HISTORY AND CORPORATE STRUCTURE

### BRIEF CORPORATE HISTORY OF OUR COMPANY

Our Company was originally incorporated on August 24, 2007, as a private limited company, under the name and style 'Kanisha Hotels Private Limited' under the provisions of the Companies Act, 1956, with the Registrar of Companies, Maharashtra, Mumbai. The name of our Company was changed to 'Vithal Kamats Restaurants Private Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on October 1, 2013. Subsequently, the name of our Company was further changed to 'Vidli Restaurants Private Limited' and a fresh Certificate of Incorporation pursuant to change of name was issued by the Deputy Registrar of Companies, Mumbai on February 26, 2015. Our Company was converted into a Public Limited Company pursuant to a Shareholders Resolution passed at an Extra-Ordinary General Meeting of the Company held on October 07, 2015 and the name of our Company was changed to 'Vidli Restaurants Limited', and a Certificate of Incorporation consequent upon conversion to public limited company was issued by the Deputy Registrar of Companies, Mumbai on November 23, 2015. In the Financial Year ending on March 31, 2016, the Company as listed on the SME Platform of BSE Limited effective from Monday, February 15, 2016, bearing Scrip ID 'VIDLI', Scrip Code '539659', and ISIN 'INE564S01019'. The Corporate Identification Number of our Company is L55101MH2007PLC173446.

### CHANGES IN OUR REGISTERED OFFICE

Particulars of Address		Effective Date	Reason for change
From	To		
70-C, Nehru Road, Vile Parle East, Mumbai -400099, Maharashtra, India	C-1502, RNA Azzure, Prajakta CHS, Kher Nagar, Bandra East, Mumbai - 400051, Maharashtra, India	December 26, 2014	Administrative Convenience
C-1502, RNA Azzure, Prajakta CHS, Kher Nagar, Bandra East, Mumbai - 400051, Maharashtra, India	Office No.26, Building No.1, Ajay Mittal Industrial. Premises Limited, Marol, Andheri East, Mumbai - 400059, Maharashtra, India	December 07, 2015	Administrative Convenience
Office No. 26, Building No. 1, Ajay Mittal Industrial Premises Limited, Marol, Andheri East, Mumbai - 400059, Maharashtra, India	Office No. 704, 7th Floor, Jai Antariksh, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra, India	1st October, 2016	Administrative Convenience
Office No. 704, 7th Floor, Jai Antariksh, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra, India	Office No. 501, 5th Floor, Jai Antariksh, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra, India	September 15, 2017	Administrative Convenience
Office No. 501, 5th Floor, Jai Antariksh, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra, India	D-09, Eastern Business District, LBS Road Bhandup West, Mumbai - 400078, Maharashtra, India	May 22, 2020	Cost Control

### MAIN OBJECTS OF OUR COMPANY

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

*"To carry on the business in all the segments of hospitality and hotel industry and to build, develop, manage, run, conduct, the business of Holiday Resorts, Time Share Resorts, Vacation Resorts, Apartment Hotels or such Resorts by whatever name called providing accommodation and other holiday and recreational facilities to the members*



whether individuals, firms, companies, bodies corporate, or such other entities or to any other person(s) in India and/or abroad”

## CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Clause I of the Memorandum of Association of the Company changed to reflect changed name of the Company as Vithal Kamats Restaurants Private Limited on change of name of the Company;	September 26, 2013	Extra-Ordinary General Meeting
2.	Initial authorised share capital of ₹5,00,000.00/- (Rupees Five Lakhs) consisting of 50,000 (Fifty Thousand) Equity Shares was increased to ₹1,61,00,000.00/- (Rupees One Crore Sixty-One Lakhs) consisting of 16,10,000 (Sixteen Lakhs Ten Thousand) Equity Shares;	September 24, 2014	Extra-Ordinary General Meeting
3.	Clause I of the Memorandum of Association of the Company changed to reflect changed name of the company as Vidli Restaurants Private Limited on change of name of the Company;	January 19, 2015	Extra-Ordinary General Meeting
4.	Authorised share capital of 1,61,00,000.00/- (Rupees One Crore Sixty-One Lakhs) consisting of 16,10,000 (Sixteen Lakhs Ten Thousand) Equity Shares was increased to ₹4,00,00,000.00/- (Rupees Four Crores) consisting of 40,00,000 (Forty Lakh) Equity Shares;	March 03, 2015	Extra-Ordinary General Meeting
5.	Clause I of the Memorandum of Association of the Company changed to reflect changed name of the Company as Vidli Restaurants Limited on change of name of the Company;	October 07, 2015	Extra-Ordinary General Meeting
6.	Authorised share capital of ₹4,00,00,000.00/- (Rupees Four Crores) consisting of 40,00,000 (Forty Lakh) Equity Shares was increased to ₹5,00,00,000.00 (Rupees Five Crores) consisting of 50,00,000 (Fifty Lakhs) Equity Shares;	October 07, 2015	Extra-Ordinary General Meeting
7.	Authorised share capital of ₹5,00,00,000.00 (Rupees Five Crores) consisting of 50,00,000 (Fifty Lakhs) Equity Shares was increased to ₹11,00,00,000.00 (Rupees One Crores) consisting of 1,10,00,000 (One Crore Ten Lakh) Equity Shares;	September 17, 2021	Annual General Meeting

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Draft Letter of Offer, our Company currently has 4 (Four) directors on its Board, 1 (One) managing director, 1 (One) non-executive director, and 2 (Two) directors acting in the capacity of being an independent director. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

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

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN	Age	Other directorships
<p><b>Vidhi Vikram Kamat</b></p> <p><i>Designation</i> Managing Director; C-1502, RNA Azzure, Prajakta CHSL, Kher</p> <p><i>Address</i> Nagar, Bandra East, Mumbai – 400051, Maharashtra, India;</p> <p><i>Occupation</i> Business;</p> <p><i>Term</i> For a period of 3 (Three) years with effect from October 01, 2020;</p> <p><i>Period of Directorship</i> Liable to retire by rotation;</p> <p><i>Nationality</i> Indian;</p> <p><i>Date of Birth</i> 12 October, 1984;</p> <p><i>DIN</i> 07038524;</p>	36 years	<ol style="list-style-type: none"> <li>1. Conwy Hospitality Private Limited;</li> <li>2. Vits Hotels Worldwide Private Limited;</li> <li>3. Vitizen Hotels Limited;</li> <li>4. Spice Tree Hospitality LLP (Nominee of Body Corporate Designated Partner);</li> </ol>
<p><b>Nanette D’sa Ralph</b></p> <p><i>Designation</i> Chairman and Independent Director; C-2903, Lloyds Estate Vidyalankar</p> <p><i>Address</i> College Road, Wadla East, Near Dostia Mumbai - 400037, Maharashtra, India;</p> <p><i>Occupation</i> Professional;</p> <p><i>Term</i> For a period of 5 (Five) years with effect from February 10, 2020 till February 09, 2025;</p> <p><i>Period of Directorship</i> Not liable to retire by rotation;</p> <p><i>Nationality</i> Indian;</p> <p><i>Date of Birth</i> 22 December, 1955;</p> <p><i>DIN</i> 05261531;</p>	65 years	<ol style="list-style-type: none"> <li>1. Zee Learn Limited;</li> <li>2. MT Educare Ltd;</li> </ol>

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN	Age	Other directorships
<p><b>Kurian Pallathuseri Chandy</b></p> <p><i>Designation</i> Independent Director Room No. 602 A, 6<sup>th</sup> Floor, <i>Address</i> Manavsthal II, Goregaon East, Mumbai – 400063, Maharashtra, India <i>Occupation</i> Business; <i>Term</i> Not Applicable; <i>Period of Directorship</i> Liable to retire by rotation; <i>Nationality</i> Indian <i>Date of Birth</i> 04 April, 1965; <i>DIN</i> 00855226;</p>	56 years	<ol style="list-style-type: none"> <li>Vits Hotels Worldwide Private Limited</li> <li>Creative Newtech Limited</li> <li>Spice Tree Hospitality Liability Partnership</li> </ol>
<p><b>Arun Suresh Jain</b></p> <p><i>Designation</i> Independent Director A -1/202, Ostwal Park Chs Ltd, Opp. <i>Address</i> Jesal park, Bhayandar - East, Thane – 401105 Maharashtra India <i>Occupation</i> Professional <i>Term</i> Not liable to retire by rotation; <i>Period of Directorship</i> For a period of 5 (Five) years with effect from October 24, 2020 till October 23, 2025; <i>Nationality</i> Indian <i>Date of Birth</i> 09 January, 1989; <i>DIN</i> 07011393;</p>	32 years	<ol style="list-style-type: none"> <li>Radhika Web Services and Consultancy Private Limited;</li> <li>E-Creative Digital Marketing LLP;</li> </ol>

### Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Draft Letter of Offer.

### Past Directorships in delisted companies

Further, none of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Draft Letter of Offer.

### Relationship between Directors

As on the date of this Draft Letter of Offer, none of the Directors are related to each other.

### Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

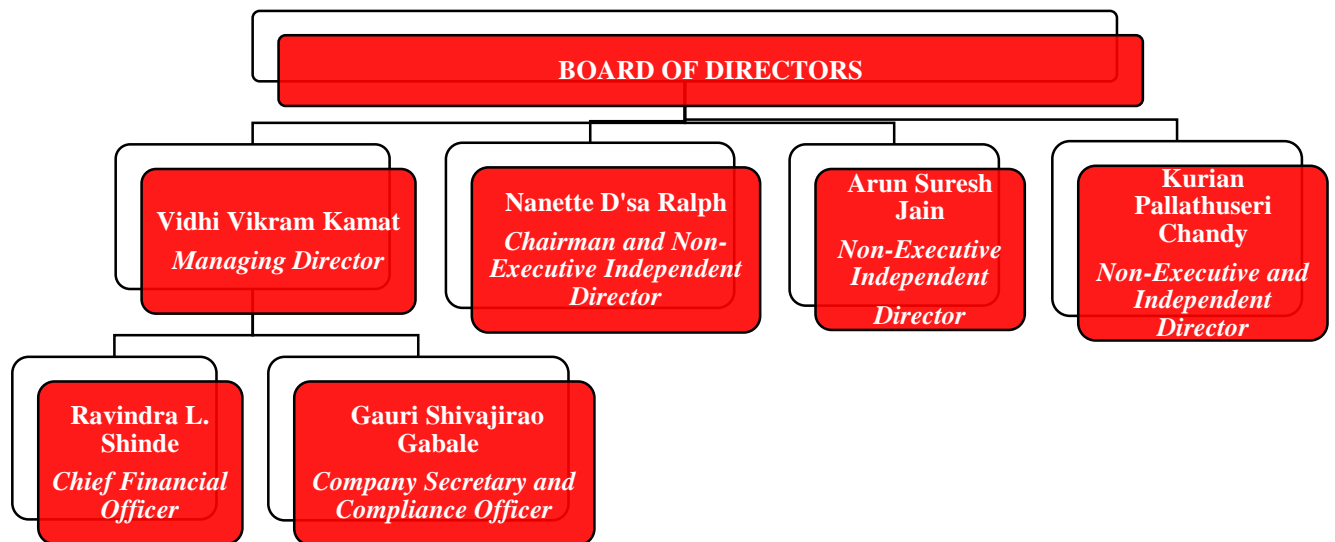
## Details of service contracts entered with Directors

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

## SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

Status of Key Managerial Personnel		Age (Years)
<b>Vidhi Vikram Kamat</b> <i>Designation</i> <i>Address</i> <i>Date of Appointment</i> <i>Nationality</i> <i>Educational Qualification</i>	Managing Director; C-1502, RNA Azzure, Prajakta CHSL, Kher Nagar, Bandra East, Mumbai – 400051, Maharashtra, India; October 7, 2015; Indian; Science graduate (BSc) with specialization in Hotel Management from the Institute of Hotel Management, Catering Technology and Applied Nutrition, Pune	36 years
<b>Ravindra L. Shinde</b> <i>Designation</i> <i>Address</i> <i>Date of Appointment</i> <i>Nationality</i> <i>Educational Qualification</i>	Chief Financial Officer; D-09, Eastern Business District, LBS Road Bhandup West, Mumbai – 400 078, Maharashtra, India; December 28, 2015; Indian; Master's degree in Commerce;	34 years
<b>Gauri Shivajirao Gabale</b> <i>Designation</i> <i>Address</i> <i>Date of Appointment</i> <i>Nationality</i> <i>Educational Qualification</i>	Company Secretary and Compliance Officer; D-09, Eastern Business District, LBS Road Bhandup West, Mumbai – 400 078, Maharashtra, India; January 29, 2021; Indian; Company Secretary;	27 years

## ORGANISATIONAL STRUCTURE



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**SECTION VII – FINANCIAL INFORMATION**

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**FINANCIAL STATEMENTS****INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF VIDLI RESTAURANTS LIMITED****Report on the Financial Statements:****Opinion**

We have audited the accompanying financial statements of VIDLI RESTAURANTS LIMITED (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended and notes to the financial statement including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and its profit, and its Cash Flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards of Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our Audit
<p><b><u>Use of Trade Mark</u></b></p> <p>The company has rights to use / grant the Trade Mark "KAMATS" from Kamats Holiday Resorts Silvassa Limited and "VITHAL KAMATS" from Dr. Vithal Kamat, by virtue of Agreements with the Respective Parties for Use of Copy Right Mark / Trade Mark. The company earns Fees for use of these Trademarks. In turn the Company pays Royalty to the above two Parties for Use of their Trade Marks.</p>	<p>We have seen the relevant agreements entered into by the Company and the other parties and verified the correctness of the same.</p>
<p><b><u>Revenue Recognition</u></b></p> <p>We identified revenue recognition as a key audit matter because the Company and its external stakeholders focus on revenue as a Key Performance indicator. This could result in a risk that revenues are overstated or recognized before control has been transferred.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, amongst others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> <li>1. We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> </ol>
<p>Initial fee for providing services for setting up restaurants and for future services is recognized upon rendering of services in accordance with relevant agreement and cost incurred. Franchise Fee for operation of restaurants by Franchisees is recognized on accrual basis in accordance with relevant agreement.</p>	<ol style="list-style-type: none"> <li>2. We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions.</li> <li>3. We performed substantive testing for the revenue transactions using statistical sampling and tested the underlying documents supporting the sales.</li> <li>4. We carried out analytical procedures on revenue recognised during the year to identify unusual variances.</li> </ol>

**Other Information**

The Company’s management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board’s Report, Management Discussion and Analysis, but does not include the Standalone financial statements and our Auditor’s Report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor’s Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management’s Responsibility for the Standalone Financial Statements:**

The Company’s management and Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, its profit and cash flows of the Company in accordance with the accounting

principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether that standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of the users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances. Under Section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosure made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentations, structure and content of the standalone financial statements, including the disclosure, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be through to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so should reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. (A) As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of the Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the Internal Financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(C) With respect to the matter to be included in the Auditor's Report under Section 197 (16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to a Ms. Vidhi v. Kamat, Managing Director for the Financial Year 2020-21 is in excess of the limits as laid down per section 197(10) of Companies Act, 2013.

**For P.D. Saraf & Co.**  
**Chartered Accountants**  
**Firm's Registration No.109241W**

**Madhusudan Saraf**  
**Partner**  
**Membership No. 41747**  
**Place: Mumbai**  
**Date: 28<sup>th</sup> June, 2021**  
**UDIN: 21041747AAAACD8092**

**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

With reference to the Annexure referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of the Independent Auditor’s report to the members of Vidli Restaurants Limited on the Standalone financial statements for the year ended March 31, 2021, we report that:

- (i) In respect of the Company’s fixed assets (Property, plant and equipment’s)
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, plant and equipment’s) installed at its various units.
  - b. According to the information and explanations given to us, some of the fixed assets (Property, plant and equipment’s) have been physically verified during the year by the management in accordance with a phased programme of verification, which in our opinion, provides for physical verification of all the fixed assets (Property, plant and equipment’s) at reasonable intervals. No material discrepancies were noticed on such verification.
  - c. According to the information and explanations given by the management, the title deeds of immoveable properties included in fixed assets (Property, plant and equipment’s), are held in the name of the Company.
- (ii) Inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.
- (iii) In respect of the loans, secured or unsecured granted to companies, firms, Limited Liability Partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. The company had granted an unsecured loan of ₹2,80,65,000/- (maximum balance ₹2,80,65,000/-) to one of the companies in which director is interested viz, Kamat Holiday Resorts (Silvassa) Limited.
  - a. In our opinion and according to the information and explanations given to us, the terms and conditions of such loans were not prejudicial to the companies’ interest.
  - b. The above loan along with the Interest has been fully recovered during the year.
  - c. There is no overdue amount in respect of principal amount and interest.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) The company has not accepted deposits from the public, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, Hence, the clause (v) of the Order is not applicable to the company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any services rendered by the Company.
- (vii) (a) The company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, GST, value added tax, cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-Tax, Goods and Service tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the documents and records, there are no cases of non-deposit with appropriate authorities of disputed dues of income tax, GST, sales-tax, service tax, customs duty, excise duty, value added tax, cess.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government. The Company has not issued any debentures and hence default or otherwise on payments to debenture holders is not applicable.
- (ix) According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given to us, the Managerial Remuneration paid by the Company to Ms. Vidhi V. Kamat, Managing Director for the Financial Year 2020-21 is in excess of the limits as laid down by the provisions of section 197 and other applicable provisions of the companies Act, 2013. If Any.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable.
- (xv) Based upon the audit procedures performed and the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable.

- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the order are not applicable to the company.

**For P.D. Saraf & Co.**  
**Chartered Accountants**  
**Firm's Registration No.109241W**

**Madhusudan Saraf**  
**Partner**  
**Membership No. 41747**  
**Place: Mumbai**  
**Date: 28<sup>th</sup> June, 2021**  
**UDIN: 21041747AAAACD8092**

**“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF VIDLI RESTAURANTS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Vidli Restaurants Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note” )

**Management’s Responsibility for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to Standalone financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “ the Act”).

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with respect to financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For P.D. Saraf & Co.**  
**Chartered Accountants**  
**Firm's Registration No.109241W**

**Madhusudan Saraf**  
**Partner**  
**Membership No. 41747**  
**Place: Mumbai**  
**Date: 28<sup>th</sup> June, 2021**  
**UDIN: 21041747AAAACD8092**

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

Particulars	Note	Amount in ₹	
		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholder's Funds:</b>			
(a) Share Capital	3	4,33,00,000	4,33,00,000
(b) Reserves and Surplus	4	1,05,96,401	1,01,07,344
<b>Total</b>		<b>5,38,96,401</b>	<b>5,34,07,344</b>
Non-Current Liabilities:			
(a) Long Term Borrowings	5	75,25,421	64,00,011
(b) Deferred Tax Liabilities (Net)	6	5,89,589	5,92,841
(c) Other Long Term Liabilities	7	1,08,29,247	1,67,07,121
(d) Long Term Provisions	8	4,80,473	6,67,303
<b>Total</b>		<b>1,94,24,730</b>	<b>2,43,67,276</b>
Current Liabilities:			
(a) Trade Payables			
Micro, Small and Medium Enterprises	9	16,56,444	3,38,419
Others for goods and services	9	63,53,994	32,52,739
<b>Total</b>		<b>80,10,438</b>	
(b) Other Current Liabilities	10	42,96,918	51,45,872
(c) Short Term Provisions	11	28,314	26,725
<b>Total</b>		<b>43,25,232</b>	<b>87,63,755</b>
<b>TOTAL</b>		<b>8,56,56,801</b>	<b>8,65,38,375</b>
<b>ASSETS:</b>			
Non-Current Assets:			
(a) Property, Plant and Equipment :			
(i) Tangible Assets	12	2,40,25,011	2,55,17,283
(ii) Intangible Assets	12	13,48,090	14,90,589
<b>Total</b>		<b>2,53,73,101</b>	<b>2,70,07,872</b>
(b) Non-Current Investments	13	14,00,000	20,00,000
(c) Other Non-Current Assets	14	3,11,75,340	3,46,00,589
<b>Total</b>		<b>3,25,75,340</b>	<b>6,36,08,461</b>
Current Assets:			
(a) Current Investments	15	3,49,702	1,45,077
(b) Inventories	16	26,59,577	25,64,688
(c) Trade Receivables	17	86,02,759	70,34,252
(d) Cash and Bank Balances	18	1,37,98,917	91,14,379
(e) Other Current Assets	19	22,97,405	40,71,518
<b>Total</b>		<b>2,77,08,360</b>	<b>2,29,29,914</b>
<b>TOTAL</b>		<b>8,56,56,801</b>	<b>8,65,38,375</b>



## SIGNIFICANT ACCOUNTING POLICIES

2

THE ACCOMPANYING NOTES ARE AN INTEGRAL  
PART OF THE FINANCIAL STATEMENTS

1 to 32

As per our report of even date  
For P. D. Saraf & Co.  
Chartered Accountants  
Firm's Registration Number: 109241W

For and on behalf of Board of Directors  
Vidli Restaurants Private Limited

Madhusudan Saraf  
Partner  
Membership Number:41747

Nanette D'sa Ralph  
DIN : 05261531  
Chairman and Independent Director

Vidhi V. Kamat  
DIN: 07038524  
Managing Director

Mumbai: 28<sup>th</sup> June, 2021

Ravindra Shinde  
Chief Financial Officer

Gauri Gabale  
Company Secretary  
Membership No. : ACS – 62866

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

Particulars	Note	Amount in ₹	
		Year Ended	
		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>INCOME:</b>			
Revenue from Operations	20	2,62,52,609	4,45,47,105
Other Income	21	39,81,419	46,21,940
<b>Total Revenue</b>		<b>3,02,34,028</b>	<b>4,91,69,045</b>
<b>EXPENSES:</b>			
Cost of Traded Goods	22	1,02,58,133	1,25,09,320
Employee Benefits Expense	23	68,82,774	1,48,97,448
Other Expenses	24	99,60,078	1,71,30,806
Finance Cost	25	8,63,489	6,60,447
Depreciation and Amortisation Expenses	12	18,40,991	18,40,489
<b>Total Expenses</b>		<b>2,98,05,465</b>	<b>4,70,38,510</b>
<b>Profit / (Loss) Before Tax</b>		<b>4,28,563</b>	<b>21,30,535</b>
<b>Tax Expense:</b>			
Prior Period Adjustment- Income Tax		(68,241)	4,134
Current Tax		71,000	3,99,000
Mat Credit Entitlement Reversed		-	-
Deferred Tax		(3,253)	3,61,254
		(493)	7,64,388
Less : Mat Credit Entitlement		(60,000)	(2,60,000)
<b>Total Tax Expense (Credit)</b>		<b>(60,493)</b>	<b>5,04,388</b>
<b>Profit / (Loss) for the year</b>		<b>4,89,057</b>	<b>16,26,147</b>
<b>Earning Per Equity Share of face value of ₹10/- each:</b>			
Basic and Diluted (in Rupees)	26	0 .11	0.38

## SIGNIFICANT ACCOUNTING POLICIES

2

THE ACCOMPANYING NOTES ARE AN INTEGRAL  
PART OF THE FINANCIAL STATEMENTS

1 to 32

As per our report of even date  
For P. D. Saraf & Co.  
Chartered Accountants  
Firm's Registration Number: 109241W

For and on behalf of Board of Directors  
Vidli Restaurants Private Limited

Madhusudan Saraf  
Partner  
Membership Number:41747

Nanette D'sa Ralph  
DIN : 05261531  
Chairman and Independent Director

Vidhi V. Kamat  
DIN: 07038524  
Managing Director

Mumbai: 28<sup>th</sup> June, 2021

Ravindra Shinde  
Chief Financial Officer

Gauri Gabale  
Company Secretary  
Membership No.: ACS – 62866

## CASH FLOW STATEMENT

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit / (loss) before tax	4,28,563	21,30,535
Adjustment for:		
Depreciation	18,40,991	18,40,489
Profit on Sale of Investments	(1,98,435)	(96,598)
Loss on Sale of Investments	29,460	-
Loss on Discard/Sale of Fixed Assets	5,06,403	-
Liabilities and Provisions written Back		(3,13,552)
Provision for Employee Benefits	(1,85,241)	3,47,408
Provision for Doubtful Debtors (Including Bad Debts written off)	3,907	4,95,093
Preliminary Expenses Written Off	67,303	61,695
Amortisation of Share Issue Expenses	-	9,47,200
Interest income	( 31,34,399)	(35,39,329)
Dividend income	(1,876)	(4,719)
Interest Expense	8,63,489	6,60,447
<b>Operating profit / (loss) before working capital changes</b>	<b>2,20,166</b>	<b>25,28,669</b>
Trade and other receivables	( 2,60,82,512)	(8,29,585)
Inventories	(94,889)	(7,06,658)
Trade Payables	( 26,08,911)	(28,74,472)
Cash inflow / (outflow) generated from operations	( 2,85,66,146)	(18,82,046)
Direct taxes paid (Net of refunds)	(2,88,210)	(2,15,392)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>( 2,88,54,356)</b>	<b>(20,97,438)</b>

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(8,67,620)	(32,50,263)
Sale Proceeds of Fixed Assets	1,55,000	-
Investments made during the year	(2,90,535)	-
Investments sold during the year	8,54,885	3,00,123
Fixed Deposits made during the year	-	(86,48,426)
Fixed Deposits Redeemed during the year	(5,00,000)	51,91,980
Loans Received Back During the Year	2,80,65,000	30,00,000
Dividend Received	1,876	4,719
Interest Received	50,57,009	60,72,820
<b>Net cash inflow / (outflow) used in investing activities</b>	<b>3,24,75,615</b>	<b>26,70,953</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Secured Loan taken from Bank	16,05,330	-
Repayment of Secured Loan	(1,78,557)	(2,47,553)
Interest paid	(8,63,489)	(6,60,447)
<b>Net cash used in financing activities</b>	<b>5,63,284</b>	<b>(9,08,000)</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	41,84,542	(3,34,484)
<b>CASH AND CASH EQUIVALENTS AS AT 01.04.2020 (Opening Balance)</b>	<b>28,02,928</b>	<b>31,37,413</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31.03.2021 (Closing Balance)</b>	<b>69,87,471</b>	<b>28,02,928</b>
<b>Components of Cash and Cash Equivalents</b>		
- Balance with Banks in current account	68,89,501	26,73,262
-Cash on hand	97,970	1,29,671
	<b>69,87,471</b>	<b>28,02,933</b>

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Mumbai: 28<sup>th</sup> June, 2021

Ravindra Shinde  
Chief Financial Officer

Gauri Gabale  
Company Secretary  
Membership No.: ACS – 62866

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2021**

**1 CORPORATE INFORMATION:**

Vidli Restaurants Limited (“the Company” or “VRL”) (Formerly Known as Vidli Restaurants Private Limited) was incorporated in India on 24th August, 2007 as a private limited Company under the Companies Act, 1956 with its registered office located in Mumbai.

The company has rights to use / grant the Trade Mark "KAMATS" and "VITHAL KAMATS" by virtue of an Agreement for Use of Copy Right Mark / Trade Mark. The terms of both the agreements is for a period of fifteen years subject to fulfilment of certain conditions from October 12, 2013 to October 11 2028 in case of Vithal Kamats and while for Kamats, it is from April 18, 2015 to April 17, 2030. The company also grants the Franchise of the Trade Mark "KAMATS" and "VITHAL KAMATS" to restaurants owned/operated by other parties. It has given franchisees currently across the states of Maharashtra, Gujarat and Himachal Pradesh.

The Company has Listed its Equity Shares on Bombay Stock Exchange (BSE) - SME Platform on 15th February 2016.

**2 SIGNIFICANT ACCOUNTING POLICIES:**

**2.1 Basis of Preparation of Financial Statements:**

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with accounting principles generally accepted in India (“Indian GAAP”) and are in compliance with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per the provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2.2 Use of Estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the Company management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**2.3 Inventories:**

Inventories of food and beverages and operating supplies are carried at lower of cost (weighted average basis) and net realizable value. Inventories of Traded Products are carried at lower of cost (FIFO Basis) and net realizable value.

**2.4 Prior Period Adjustments, Exceptional and Extra Ordinary Items and Changes in Accounting Policies:**

Prior Period Adjustments, Exceptional and Extra Ordinary Items and Changes in Accounting Policies having material impact on the Financial Statements are disclosed.

## 2.5 Property, Plant and Equipment, Depreciation and Amortisation:

Property Plant and Equipment are stated at cost of acquisition less accumulated depreciation. The cost of acquisition includes inward freight, duties, taxes and other directly attributable incidental expenses.

Depreciation is provided on the items of tangible fixed assets in the accounts on straight -line method based on the useful lives of those assets prescribed in Schedule II to the Companies Act, 2013 after considering the residual value not exceeding 5% of the cost. Buildings taken on lease and leasehold improvements are depreciated over the primary lease period. Cost of intangible assets is amortized in accordance with the provisions of Accounting Standard 26- "Intangible Assets ".

## 2.6 Revenue Recognition:

The Company derives revenues primarily from hospitality services. Sales comprises sale of food and beverages and allied services relating to restaurant operations. Revenue is recognized upon rendering of the service. The company also earns for use of its Trademarks. Initial fee for providing services for setting up restaurants and for future services is recognised upon rendering of services in accordance with relevant agreement and cost incurred. Franchise Fee for operation of restaurants by Franchisees is recognized on accrual basis in accordance with relevant agreement. Sales and services are stated exclusive of taxes.

Interest income is recognized using the time proportion method based on the underlying interest rates. Dividends are recorded when the right to receive payment is established.

## 2.7 Investments:

Non Current investments are carried at cost less any diminution in value, other than temporary, determined separately of each individual investment.

Current Investments are carried at lower of cost and fair value, computed category wise.

## 2.8 Employee Benefits:

### (a) Provident Fund:

Contribution to provident fund, which is a defined contribution scheme, is recognized as an expense in the Statement of Profit and Loss in the year in which it accrues.

### (b) Gratuity:

The Company accounts for the net present value of its obligation for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out annually. Actuarial gains and losses are immediately recognized in the Statement of Profit and Loss.

### (c) Compensated Absences :

Provision for Compensated Absences is determined on the basis of an independent external actuarial valuation carried out by an independent actuary at the Balance Sheet date.

## 2.9 Segment Reporting :

Reportable Segments are identified having regard to the dominant source of revenue and nature of risks and returns.

## 2.10 Leases:

Lease payment under an operating lease are recognized as an expense in the Statement of Profit and Loss with reference to lease terms and other considerations.

Assets taken on finance lease are capitalized and finance charges are charged to Statement of Profit and Loss on accrual basis.

## 2.11 Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 2.12 Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current period timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence, that such deferred tax assets can be realized against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

## 2.13 Impairment:

In accordance with Accounting Standard 28 – Impairment of Assets (AS 28), the carrying amounts of the company's assets including intangible assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. Any impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

## 2.14 Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an

outflow of resources. When there is a possible obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

## 2.15 Preliminary Expenditure and Share Issue Expenses:

Preliminary Expenditure is carried as an asset and amortised over a period of 10 years. Share Issue expenses is carried as an asset and amortised over a period of 5 Years.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2021

### 3. SHARE CAPITAL :

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>AUTHORISED:</b>		
5,000,000 Equity Shares of par value ₹10/- each (Previous year 5,000,000 Equity Shares of par value ₹10/- each).	5,00,00,000	5,00,00,000
<b>Total</b>	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>		
4,330,000 Equity Shares of par value ₹10/- each, fully paid up (Previous year 4,330,000 Equity Shares of par value ₹10/- each, fully paid up).	4,33,00,000	4,33,00,000
<b>Total</b>	<b>4,33,00,000</b>	<b>4,33,00,000</b>

#### 3.1 The reconciliation of the number of shares outstanding is set out below:

Equity shares	31st March 2021		31st March 2020	
	Number	₹	Number	₹
Equity Shares at the beginning of the year	43,30,000	4,33,00,000	43,30,000	4,33,00,000
Add: Equity Shares issued during the year	-	-	-	-
Equity Shares at the end of the year	43,30,000	4,33,00,000	43,30,000	4,33,00,000

#### 3.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Rupees.

In the event of liquidation of the Company, the holders 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 share held by the Shareholders.

### 3.3 Details of Shareholders holding more than 5% shares in the Company

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	Number	% holding in the class	Number	% holding in the class
<b>Equity shares of ₹10/- each fully paid</b>				
Conwy Hospitality Pvt. Ltd	14,21,000	32.82%	13,26,000	30.62%
Vits Hotels Worldwide Pvt. Ltd.	7,75,000	17.90%	7,75,000	17.90%
Mrs. Vidhi V. Kamat	5,42,000	12.52%	5,42,000	12.52%

### 4. RESERVES AND SURPLUS

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
As per last financial statements	1,01,07,344	84,81,197
Add/(Less): Net Profit after Tax for the year	4,89,057	16,26,147
Amount Available for Appropriation	1,05,96,401	1,01,07,344
<b>Total</b>	<b>1,05,96,401</b>	<b>1,01,07,344</b>

### 5. LONG TERM BORROWINGS

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Term Loan From ICICI Bank	64,24,061	64,00,011
GECL - ICICI Bank Loan	11,01,360	-
<b>Total</b>	<b>75,25,421</b>	<b>64,00,011</b>

5.1 The Term loan mortgaged against the property of the company situated at Mumbai

5.2 Company has availed Credit Facility under Emergency Credit Line Guaranteed Scheme by way of top up loan ₹13,36,000/- from bank, it is secured by extension of second ranking charge over all the existing securities created in favour of the ICICI Bank by the commercial property situated at D-09, Neptune Mall, Eastern Business District, LBS Road, Bhandup West, Mumbai – 400078 and the personal gurantee of director. The tenure of Loan is 4 years.

5.3 Maturity Profile of Term Loan from Bank and rate of Interest are as set out below

Particulars	ROI	Maturity Profile (Amount in ₹)			
		2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	Above 4 years
Secured Term Loan from ICICI Bank	9.80%	3,57,604	3,89,988	4,25,301	52,51,168
GECL - ICICI Bank Loan	8.25%	4,29,373	4,66,167	2,05,820	-
<b>Total</b>		<b>7,86,977</b>	<b>8,56,155</b>	<b>6,31,121</b>	<b>52,51,168</b>



## 6. DEFERRED TAX LIABILITY

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Deferred Tax Liability</b>		
Related to Depreciation on Fixed Assets	8,46,191	6,89,274
<b>Total</b>	<b>8,46,191</b>	<b>6,89,274</b>
<b>Less : Deferred tax Assets</b>		
Expenses allowable for Tax Purposes on Payment Basis	32,164	96,433
Carried forward Business Loss	2,16,779	-
Short Term Capital Loss	7,659	-
<b>Total</b>	<b>2,56,602</b>	<b>96,433</b>
Deferred Tax Liability (net) after adjustments (Total)	<b>5,89,589</b>	<b>5,92,841</b>
Incremental Deferred Tax (asset) / charge for the year	<b>(3,252)</b>	<b>3,61,253</b>

## 7. OTHER LONG TERM LIABILITIES

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Advance Franchisee Fees	1,08,29,247	1,67,07,121
<b>Total</b>	<b>1,08,29,247</b>	<b>1,67,07,121</b>

## 8. LONG TERM PROVISIONS

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Provision for Leave Encashment (Refer Note 23.1.3)	1,13,807	2,19,249
Provision for Gratuity (Refer Note 23.1.2)	3,66,666	4,48,054
<b>Total</b>	<b>4,80,473</b>	<b>6,67,303</b>

## 9. TRADE PAYABLE

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Micro, Small and Medium Enterprises	16,56,444	3,38,419
Others for goods and services	63,53,994	32,52,739
<b>Total</b>	<b>80,10,438</b>	<b>35,91,158</b>

- 9.1 Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Dues remaining unpaid at the year end:		
- Principal	1 6,56,444	3,38,419
- Interest	1,72,635	-
Interest paid in terms of Section 16 of the Act	-	-
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year.	1,72,635	-
Amount of interest accrued and remaining unpaid at the year end	1,72,635	-
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small		

## 10. OTHER CURRENT LIABILITIES

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Current Maturities of Long Term Borrowings (Refer Note 5.1)	5,62,549	2,61,186
Advance from customers	1,41,348	2,15,161
Advance Franchisee Fees	18,34,555	18,96,843
Other Payables (Refer Note 10.1)	17,58,466	27,72,682
<b>Total</b>	<b>42,96,918</b>	<b>51,45,872</b>

- 10.1 Includes Employees dues ₹13.06,043/- (Previous Year ₹17,36,692/-), Statutory dues ₹4,21,419/- (Previous Year ₹9,39,804/-)

## 11. SHORT TERM PROVISIONS

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Provision for Leave Encashment (Note 23.1.3)	23,435	23,428
Provision for Gratuity (Note 23.1.2)	4,879	3,297
<b>Total</b>	<b>28,314</b>	<b>26,725</b>

## 12. Property, Plant and Equipments

Amount in ₹

Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2020	ADDITIO NS	DEDUCT IONS	AS AT 31.03.2021	UPTO 01.04.202 0	FOR THE PERIOD	DEDUC TIONS / ADJUS TMENT S	UPTO 31.03.2021	AS AT 31.03.2021	AS AT 31.03.2020
<b>TANGIBLE</b>										
Improvement s to Leasehold Buildings	24,66,599	-	8,42,724	16,23,875	11,27,641	2,77,632	3,37,551	10,67,722	5,56,153	13,38,958
Free hold Buildings	1,63,11,912	88,500	-	1,64,00,412	1,90,398	3,28,852	-	5,19,250	1,58,81,162	1,61,21,514
Plant & Machinery	89,49,010	6,25,527	58,118	95,16,419	17,20,948	7,10,115	14,127	24,16,936	70,99,483	72,28,061
Furniture and Fixtures	19,91,443	97,055	1,90,806	18,97,692	13,57,455	2,66,731	78,567	15,45,619	3,52,073	6,33,988
Office Equipments	7,07,191	50,538	-	7,57,729	5,12,428	1,09,161	-	6,21,589	1,36,140	1,94,763
<b>Total</b>	<b>3,04,26,155</b>	<b>8,61,620</b>	<b>10,91,648</b>	<b>3,01,96,127</b>	<b>49,08,870</b>	<b>16,92,491</b>	<b>4,30,245</b>	<b>61,71,116</b>	<b>2,40,25,011</b>	<b>2,55,17,284</b>
<b>INTANGIB LE</b>										
Computer Software	14,84,988	-	-	14,84,988	5,29,949	1,48,500		6,78,448	8,06,540	9,55,039
TRADEMA RK	5,35,550	6,000	-	5,41,550	-	-		-	5,41,550	5,35,550
<b>Total</b>	<b>20,20,538</b>	<b>6,000</b>	<b>-</b>	<b>20,26,538</b>	<b>5,29,949</b>	<b>1,48,500</b>	<b>-</b>	<b>6,78,448</b>	<b>13,48,090</b>	<b>14,90,589</b>
<b>Grand Total</b>	<b>3,24,46,693</b>	<b>8,67,620</b>	<b>10,91,648</b>	<b>3,22,22,665</b>	<b>54,38,819</b>	<b>18,40,991</b>	<b>4,30,245</b>	<b>68,49,564</b>	<b>2,53,73,101</b>	<b>2,70,07,874</b>
Previous Year Total	2,91,96,430	32,50,262	-	3,24,46,692	35,98,331	18,40,489	-	54,38,820	2,70,07,872	2,55,98,099

## 13. NON-CURRENT INVESTMENTS

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>TRADE INVESTMENTS:</b>		
TAX FREE BOND :		
Indian Railway Finance Corporation Ltd (Maturing on 17.02.2024) (No. of Bonds : 1000, Face Value ₹1000/-)	10,00,000	10,00,000
INDIABULLS CONSUMER FINANCE LIMITED (Maturing On 30.08.2022) (No. of Bonds : 400, Face Value ₹1000/-)	4,00,000	10,00,000
<b>Total</b>	<b>14,00,000</b>	<b>20,00,000</b>
<b>Aggregate amount of quoted Investments</b>		
<b>-Cost</b>	14,00,000	20,00,000
<b>-Market</b>	15,76,380	20,99,000

## 14. OTHER NON CURRENT ASSETS

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Payment of Taxes (Note 14.1)	12,81,600	9,96,149
Security Deposits	2,77,21,460	32,89,460
Capital Advances	20,00,000	20,00,000
Loans and Advances (To a Group Company)	-	2,80,65,000
Preliminary Expenses Unamortised	1,40,213	2,07,514
Product Development Expenses	32,067	42,466
<b>Total</b>	<b>3,11,75,340</b>	<b>3,46,00,589</b>

14.1 Payment for Income Tax is net of Provision of Taxes ₹4,70,000/- (Previous Year ₹10,75,000/- )

## 15. CURRENT INVESTMENTS

Particulars	Amount in ₹	Amount in ₹	
		As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>TRADE INVESTMENTS:</b>			
Equity Shares (Quoted)			
Larsen & Toubro Infotech Ltd	Nil (121)	1	-
IDFC Bank Limited	2,000 (1000)	10	49,657
Speciality Restaurants Limited	90 (90)	10	2,088
Larsen & Toubro Finance Ltd	700 (Nil)	10	35,980
HDFC Life Insurance Company Ltd	30 (Nil)	10	18,103
Sbi Life Insurance Company Ltd	50 (Nil)	10	43,332
Yes Bank Limited	16700 (Nil)	2	2,00,542
Total			3,49,702
			1,45,077
<b>Aggregate amount of quoted Investments</b>			
-Cost			3,49,702
-Market			5,06,554
Diminishing in value of Investment.			-
			1,32,525

## 16. INVENTORIES

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(At Lower of weighted average cost and net realisable value)		
<b>Raw Materials &amp; Others</b>		
- Food & Beverages	16,09,146	13,53,793
- Stores and Operating Supplies	10,50,431	12,10,895
<b>Total</b>	<b>26,59,577</b>	<b>25,64,688</b>

## 17. TRADE RECEIVABLES:

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(Unsecured, good, unless otherwise stated)		
<b>Unsecured:</b>		
- Over Six Months	30,06,952	11,73,506
- Other Debts [ ` NIL (Previous Year ` NIL /-) considered Doubtful]	55,95,807	58,60,746
<b>Total</b>	<b>86,02,759</b>	<b>70,34,252</b>

- 17.1 Trade Receivable includes ₹26,70,890/- (Previous Year ₹21,71,344/-) from Vitizen Hotels Limited , ₹1,76,911/- (Previous Year ₹ Nil) from Conwy Hospitality Pvt. Ltd. And ₹2,52,502/- (Previous Year ₹1,47,097/-) from Spice Tree Hospitality LLP.

## 18. CASH AND BANK BALANCES

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Cash and Cash Equivalents</b>		
<b>Balance with banks:</b>		
Balance with Scheduled Bank		
- On Current account	68,89,501	26,73,262
- Cash on Hand	97,970	1,29,671
	<b>69,87,471</b>	<b>28,02,933</b>
- Fixed Deposit with Banks - with Less than 12 Months Maturity	67,26,446	63,11,446
- Fixed Deposit with Banks - More than 12 Months Maturity (Refer note 18.1)	85,000	-
<b>Total</b>	<b>1,37,98,917</b>	<b>91,14,379</b>

- 18.1 Fixed Deposit ₹1,75,000/- (Previous year ₹1,75,000/-) given against Bank Guarantee provided to Gujarat Gas

## 19. OTHER CURRENT ASSETS

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Interest Receivable	3,63,312	22,85,922
Advance to Suppliers & Others	2,97,522	1,53,238
GST Input Credit	5,80,259	8,99,261
MAT Credit Entitlement A/c	3,20,000	2,60,000
Preliminary Expenses Unamortised	67,300	67,300
Prepaid Expenses	3,16,298	3,25,875
Staff Advance	3,52,714	79,922
<b>Total</b>	<b>22,97,405</b>	<b>40,71,518</b>

## 20. REVENUE FROM OPERATIONS

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Sale of Traded Goods	1,18,45,425	1,49,74,507
Franchise Fees	71,30,162	1,00,95,653
Royalty	59,79,698	1,72,53,955
<b>Sub Total (A)</b>	<b>2,49,55,285</b>	<b>4,23,24,115</b>
<b>Other Operating Income :</b>		
Feasibility Study Fees	1,05,424	2,85,000
Banquet Sales	84,661	-
Consultancy Fees Received	-	8,475
Rent Received	11,07,240	19,29,515
<b>Sub Total (B)</b>	<b>12,97,325</b>	<b>22,22,990</b>
<b>Total</b>	<b>2,62,52,609</b>	<b>4,45,47,105</b>

## 21. OTHER INCOME

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Interest Earned	31,34,399	35,39,328
Dividend Income	1,876	4,719
Profit on Sale of Investments	1,98,435	9 6,598
Excess Provision for Leave Encashment Written Back (Refer note 23.1.3)	1,05,435	-
Excess Provision for Gratuity Written Back (Refer note 23.1.2)	79,806	-
Miscellaneous Income	4,61,468	9,81,295
<b>Total</b>	<b>39,81,419</b>	<b>4 6,21,940</b>

## 22. COST OF TRADED GOODS SOLD

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening Stock	2 3,74,789	1 6,37,189
Purchases	1 ,05,42,921	1 ,32,46,920
	<b>1 ,29,17,710</b>	<b>1 ,48,84,109</b>
Less : Closing Stock	2 6,59,577	2 3,74,789
	<b>1,02,58,133</b>	<b>1,25,09,320</b>

## 23. EMPLOYEE BENEFITS EXPENSE:

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Salaries & Wages	63,78,979	1,32,21,405
Provision for Leave Encashment (Refer note 23.1.3)	-	6 9,407
Provision for Gratuity (Refer note 23.1.2)	-	2,78,001
Contribution to Provident and other Funds	2,34,294	4,98,909
Staff Welfare Expenses	2,69,501	8,29,726
	<b>68,82,774</b>	<b>1,48,97,448</b>

23.1 The disclosures required under Accounting Standard 15 “Employee Benefits” (AS 15) as notified by the Companies (Accounting Standards) Rules 2006, are given below:

### 23.1.1

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Defined Contribution Plan:</b>		
Contribution to Defined Contribution Plan, recognised and charged off for the year are as under:		
Contributions to Provident Fund	56,471	1,38,534
Contributions to Pension Scheme	1,15,430	2,85,469

### 23.1.2 Defined Benefit Plan:

The employees’ gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Gratuity (Non Funded):</b>		
<b>a) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Defined Benefit obligation at the beginning of the year	4,51,351	1,73,350
Current Service Cost	1,20,864	1,98,900
Interest Cost	30,872	13,504
Actuarial (Gain) / Loss	(2,31,543)	65,597
Benefit Paid	-	-
Acquisitions/ Divestures / Transfer Out	-	-
Defined Benefit obligation at year end	3,71,544	4,51,351
<b>b) Reconciliation of fair value of assets and obligations</b>		
Present value of obligation as at year end	3,71,544	4,51,351
Amount recognised in Balance Sheet	3,71,544	4,51,351
<b>c) Expenses recognised during the year</b>		
Current Service Cost	1,20,864	1,98,900
Interest Cost	30,872	13,504
Actuarial (Gain) / Loss	(2,31,543)	65,597
Net Cost	(79,807)	2,78,001

## 23.1.3

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Leave encashment (Non Funded):</b>		
<b>a) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Defined Benefit obligation at the beginning of the year	2,42,676	1,73,270
Interest Cost	16,599	13,498
Current Service Cost	57,068	99,523
Benefits Paid	-	-
Actuarial (Gain) / Loss	(1,79,103)	(43,615)
Defined Benefit obligation at year end	1,37,240	2,42,676
<b>b) Reconciliation of fair value of assets and obligations</b>		
Present value of obligation as at year end	1,37,240	2,42,676
Amount recognised in Balance Sheet	1,37,240	2,42,676
<b>c) Expenses recognised during the year</b>		
Interest Cost	16,599	13,498
Current Service Cost	57,068	99,523
Actuarial (Gain) / Loss	(1,79,103)	(43,615)
Net Cost	(1,05,436)	69,406



Actuarial assumptions	2006-08 (Modified Ultimate)	2006-08 (Modified Ultimate)
	31 <sup>st</sup> MARCH, 2021	31 <sup>st</sup> MARCH, 2020
Indian Assured Lives Mortality		
Discount rate (per annum)	7.35%	7.88%
Rate of escalation in salary (per annum)	7.00%	7.00%
Withdrawal Rates	3.00%	3.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

## 23.2

Particulars	Amount in ₹	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Managerial Remuneration :</b>		
Remuneration to Managing Director	1,92,855	5,36,664
Contribution to Provident Fund	9,497	21,600
<b>Sub-total</b>	<b>2,02,352</b>	<b>5,58,264</b>
Directors Sitting Fees	95,000	1,37,500
<b>Total</b>	<b>2,97,352</b>	<b>6,95,764</b>

In view of inadequacy of profit, the consent of the members of the Company for waiver of excess remuneration paid to Ms. Vidhi V. Kamat for the Financial year 2020-2021 is sought for in this general meeting as per provisions of Section 197(10) of Companies Act, 2013, as amended.

## 24. OTHER EXPENSES

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>OPERATING EXPENSES:</b>		
Power and Fuel	3,62,550	4,07,629
Rent	11,05,500	20,36,167
Licences, Rates and Taxes	2,53,539	10,749
Repairs to Plant and Machinery	10,935	26,200
Repairs to Others	6,68,490	10,12,561
Restaurant Operating Expenses	3,83,266	5,09,580
Replacements of Crockery, Cutlery, Linen, etc.	78,302	46,754
Coolie, Cartage and Freight	6,38,185	10,55,993
<b>Sub-total</b>	<b>35,00,767</b>	<b>51,05,633</b>
<b>GENERAL EXPENSES:</b>		
Advertisement, Publicity and Sales Promotion	5,98,917	14,47,373
Management / License Fees and Royalty	17,91,597	41,96,394

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Sub-total</b>	<b>23,90,514</b>	<b>56,43,767</b>
<b>ADMINISTRATIVE AND OTHER EXPENSES:</b>		
Communication Expenses	3,98,260	5,49,899
Printing and Stationery	1,03,026	2,82,832
Legal and Professional charges	13,24,621	18,62,488
Travelling and Conveyance	3,24,086	13,53,536
Insurance	1,09,943	61,009
Bad Debts	3,907	4,95,093
Auditors' Remuneration (Refer note 24.1)	1,10,000	1,10,000
Preliminary Expenses W/off	67,303	61,695
Amortisation of Share Issue Expenses	-	9,47,200
Professional Tax (Company)	1,997	1,997
Loss on Sale of Investments	29,460	-
Loss on Sale of Assets	5,06,403	-
Diminishing in Value of Investment	-	1,32,525
Miscellaneous Expenses	10,89,791	5,23,132
<b>Sub-total</b>	<b>40,68,797</b>	<b>63,81,406</b>
<b>Total</b>	<b>99,60,078</b>	<b>1,71,30,806</b>

24.1

Auditors' Remuneration:	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
- As Audit Fees	1,10,000	1,10,000
	<b>1,10,000</b>	<b>1,10,000</b>

25. FINANCE COST

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Interest Expense	8,63,489	6,60,447
	8,63,489	6,60,447

26. Earnings Per Share (E.P.S.) under Accounting Standard 20:

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Profit/ (Loss) after Tax as per accounts	4,89,057	16,26,147
No. of Shares Issued	43,30,000	43,30,000
Weighted Average No. of Equity Shares	43,30,000	43,30,000
Nominal Value of Share	10	10
Basic and Diluted E.P.S.	0.11	0.38

## 27. Related Party Disclosures :

Related Parties:

- (a) Holding Company where control exists and Transaction have taken place during the year:  
Vits Hotels Worldwide Pvt. Ltd.
- (b) Associate Company where control exists and Transaction have taken place during the year:
  - Conwy Hospitality Private Limited
  - Vitizen Hotels Ltd
  - Kamat Holiday Resorts (Silvassa) Limited
  - Spice Tree Hospitality LLP
- (c) Key Management Personnel :  
Mrs. Vidhi V. Kamat
- (d) Other related parties with whom transactions have taken place during the year :  
Dr. Vithal V. Kamat – Relative
- (e) Summary of transactions during the year with Related Parties entered into on commercial basis in the interest of the Company and approved by the Board and status of outstanding balances as on 31st March, 2021

Nature of transactions	Amount in ₹	
	Associate Companies	Key Managerial Personnel and Relatives
1. Purchase of Goods and Services	5,88,752	3,93,113
	(5,11,076)	(18,45,919)
2. Sale of Goods and Services	27,61,731	Nil
	(57,16,251)	(Nil)
3. Interest Received	28,06,030	Nil
	(31,32,655)	Nil
4. Loans Repayment	2,80,65,000	Nil
	(Nil)	(Nil)
5. Remuneration to Key Managerial Personnel	(Nil)	1,92,855
	(Nil)	(6,03,000)
6. Amount paid during the year	1,13,881	6,22,765
	(2,26,238)	(31,79,592)
7. Security Deposit Given	2,50,00,000	Nil
	(15,00,000)	(Nil)
8. Balance Outstanding at the year end		
i) Amount Payable	7,80,491	1,00,201
	(3,24,957)	(1,17,679)
ii) Accounts Recoverable	31,51,139	Nil
	(43,40,618)	(Nil)
iii) Loans Given	Nil	Nil
	(2,80,65,000)	(Nil)
iv) Security Deposits Given	2,65,00,000	Nil

Nature of transactions	Amount in ₹	
	Associate Companies	Key Managerial Personnel and Relatives
	(15,00,000)	(Nil)

\*Figures in bracket are in respect of previous year

The Company has entered into an arrangement with Conwy Hospitality Private Limited, Vitizen Hotels Limited and Spice Tree Hospitality LLP to promote each other's brand and to utilize the capacity, trade mark, goodwill, etc. of one party by other, whenever required on terms and conditions as may be deemed fit and in the best interest of the Company.

(f) **Statement of Material Transactions:**

Name of the Related Party	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Associate Company</b>		
<b>Conwy Hospitality Pvt. Ltd.</b>		
Sale of Goods and Services	2,02,506	4,56,312
Amount Recoverable at the Year End	1,76,911	-
Purchase of Goods and Services	2,01,399	2,34,246
Amount paid during the year	1,13,881	2,26,238
Amount Payable at the Year End	1,75,599	25,981
Interest Earned on Security Deposit	1,20,001	1,10,795
Amount Recoverable at the Year End	50,836	99,715
Security Deposit Given	2,50,00,000	15,00,000
Security Deposit Given Balance at the Year End	2,65,00,000	15,00,000
<b>Vitizen Hotels Ltd</b>		
Sale of Goods and Services	23,59,238	48,20,168
Purchase of Goods and Services	2,61,871	Nil
Amount Recoverable at the Year End	26,70,890	20,71,344
Amount Payable at the Year End	1,67,258	Nil
<b>Spice Tree Hospitality LLP</b>		
Sale of Goods and Services	1,99,987	4,39,771
Amount Recoverable at the Year End	2,52,502	1,47,097
<b>Kamat Holiday Resorts (Silvassa) Limited</b>		
Purchase of Goods and Services	1,25,482	2,76,830
Amount received during the year	3,27,73,491	9,15,000
Interest Received	26,86,029	30,21,860
Amount Recoverable at the Year End	NIL	20,22,462
Loan Given Balance at the Year End	NIL	2,80,65,000
Amount paid during the year	NIL	-
Amount Payable at the Year End	4,37,634	2,98,976
<b>Dr. Vithal V. Kamat</b>		
Purchase of Goods and Services	3,93,113	18,45,919
Amount paid during the period	4,52,532	25,96,842
Amount Payable at the Year End	50,847	67,429

Name of the Related Party	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Mrs. Vidhi V. Kamat</b>		
Remuneration to Key Managerial Personnel	1,92,855	6,03,000
Amount paid during the period	1,70,233	5,82,750
Amount Payable at the Year End	49,354	50,250

**28. Segment Reporting:**

The Company's activities involve predominantly providing hospitality related services, which is considered to be a single business segment since these are subject to similar risks and returns. Further, services are not provided out of India and hence there are no reportable geographical segments. Accordingly, the financial statements are reflective of the information required by Accounting Standard 17 - Segment Reporting (AS-17).

**29. Leases:**

The Company's significant leasing arrangements are in respect of operating leases for premises. These leasing arrangements, which are not non-cancelable, range between eleven months and nine years generally or longer and are usually renewable by mutual consent on mutually agreeable terms.

The aggregate lease rentals payable are charged as rent and aggregate licence fees income from shops and other spaces on leave and licence basis are shown as Licence Fees.

Future commitments in respect of minimum lease payments payable for non-cancelable operating leases (other than land) entered into by the Company:

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Payable within one year	4,31,258	5,04,000
Payable later than one year but not later than five years	2,40,000	Nil
Payable after five years	4,95,333	Nil

**30. Income Tax:**

Provision for tax for the year has been made at ₹71,000/- Previous year ₹3,99,000/- ) under normal provisions of Income Tax Act, 1961.

In accordance with Guidance Note issued by The Institute of Chartered Accountants of India, the Company has accounted for MAT Credit Entitlement of ₹60,000/- (Previous Year ₹2,60,000/- ) for the year ended 31st March, 2021.

**31. Additional Information:**

Particulars	Amount in ₹	
	Year Ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
a) Value of Imports (C.I.F. Value):	Nil	Nil
b) Expenditure in Foreign Currencies: (on accrual basis)	Nil	Nil
c) Earning in foreign exchange:	Nil	Nil
d) Dividend of non-resident shareholders:	Nil	Nil

**32.** Figures of the previous year have been regrouped / reclassified wherever necessary to confirm to the Current year's presentation.

**As per our report of even date**  
**For P. D. Saraf & Co.**  
Chartered Accountants  
Firm's Registration Number: 109241W

**For and on behalf of Board of Directors**  
**Vidli Restaurants Private Limited**

**Madhusudan Saraf**  
**Partner**  
**Membership Number: 41747**

**Nanette D'sa Ralph**  
**DIN : 05261531**  
**Chairman and Independent Director**

**Vidhi V. Kamat**  
**DIN: 07038524**  
**Managing Director**

**Mumbai: 28<sup>th</sup> June, 2021**

**Ravindra Shinde**  
**Chief Financial Officer**

**Gauri Gabale**  
**Company Secretary**  
**Membership No. : ACS – 62866**

## ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Information for the Financial Years ending March 31, 2021, and March 30, 2021. For further details please refer to the section titled '*Financial Statements*' beginning on page 76 of this Draft Letter of Offer.

## ACCOUNTING RATIOS

Particulars	Based on Audited Financial Statements for the Financial Year ending	
	March 31, 2021	March 31, 2020
Basic earnings per Equity Share (₹)	0.11	0.38
Diluted earnings per Equity Share (₹)	0.11	0.38
Return on Net Worth (%)	0.91%	3.04%
Net Asset Value per Equity Share (₹)	12.45	12.33
EBITDA (₹)	31,93,537	41,27,083

The formula used in the computation of the above ratios are as follows:

Particular	Computation of Formulas
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)) / (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth) / (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss

## Reconciliation of Return on Net Worth (%)

Particulars	Based on Audited Financial Statements for the Financial Year ending	
	March 31, 2021	March 31, 2020
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (₹) (A)	4,89,057	16,26,147
Net worth at the end of the year (₹) (B)	5,38,96,401	5,34,07,344
<b>Return on Net Worth (%) [(A)/(B)]</b>	<b>0.91%</b>	<b>3.04%</b>

**Reconciliation of Net asset value Equity Share**

Particulars	Based on Audited Financial Statements for the Financial Year ending	
	March 31, 2021	March 31, 2020
Net Worth (₹) (A)	5,38,96,401	5,34,07,344
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	43,30,000	43,30,000
<b>Net Asset Value per Equity Share (₹) [(A)/(B)]</b>	<b>12.45</b>	<b>12.33</b>

**Reconciliation of Net Worth**

Particulars	Based on Audited Financial Statements for the Financial Year ending	
	March 31, 2021	March 31, 2020
Equity Share capital (₹) (A)	4,33,00,000	4,33,00,000
Reserves and Surplus (₹) (B)	1,05,96,401	1,01,07,344
<b>Net Worth (₹) [(A)/(B)]</b>	<b>5,38,96,401</b>	<b>5,34,07,344</b>

**Reconciliation of EBITDA**

Particulars	Based on Audited Financial Statements for the Financial Year ending	
	March 31, 2021	March 31, 2020
Net Profit/ (loss) after tax (₹) (A)	4,89,057	16,26,147
Income tax expenses (₹) (B)	--	--
Finance Cost (₹) (C)	8,63,489	6,60,447
Depreciation and amortisation expense (₹) (D)	18,40,991	18,40,489
<b>EBITDA (₹) (A+B+C+D)</b>	<b>31,93,537</b>	<b>41,27,083</b>



### STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on the SME Platform of BSE Limited; and the Right Shares issued pursuant to this Issue will be listed on BSE Limited, the Designated Stock Exchange. For further details, please refer to the section titled '*Terms of the Issue*' on page 141 of this Draft Letter of Offer.

Our Company shall receive an in-principle approval for listing of the Right Shares on the BSE Limited to be issued pursuant to this Issue from BSE Limited by letter dated [●]. Our Company shall also make applications to BSE Limited to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

#### STOCK MARKET DATA OF THE EQUITY SHARES

The high, low and average prices recorded on the BSE Limited, during the preceding 3 (Three) Financial Years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Financial Year	Date of High	High (₹)	Volume on date of High (Number of Equity Shares)	Date of Low	Low (₹)	Volume on date of low (Number of Equity Shares)	Average price for the year (₹)
March 31, 2021	September 02, 2020	23.95/-	28,000	February 08, 2021	10.86/-	25,000	15.23/-
March 31, 2020	April 16, 2019	23.50/-	5,000	February 19, 2020	6.25/-	6,000	15.71/-
March 31, 2019	April 02, 2018	82.00/-	3,000	March 27, 2019	19.95/-	11,000	39.70/-

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

The high, low and average prices recorded on the BSE Limited, during the last 6 (Six) months and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Month	Date of High	High (₹)	Volume (Number of Equity Shares)	Date of Low	Low (₹)	Volume (Number of Equity Shares)	Total number of days of trading	Average volume of Equity Shares traded
August 2021	August 12, 2021	21.40/-	1,000	August 27, 2021	16.60/-	1,000	09	2,667
July 2021	July 05, 2021	24.00/-	1,000	July 30, 2021	22.50/-	1,000	06	1,833
June 2021	June 24, 2021	24.00/-	2,000	June 01, 2021	17.10/-	11,000	14	4,214
May 2021	May 31, 2021	16.50/-	2,000	May 14, 2021	9.63/-	3,000	11	5,364
April 2021	April 09, 2021	11.00/-	1,000	April 05, 2021	10.60/-	3,000	03	2,333
March 2021	March 15, 2021	14.00/-	4,000	March 18, 2021	11.50/-	2,000	05	3,000

The high, low and average prices recorded on the BSE Limited, during the last 4 (Four) weeks and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Week ended on	Closing Price (₹)	High Price (₹)	Date of High	Low Price (₹)	Date of Low
August 31, 2021	16.70/-	16.70/-	August 31, 2021	16.70/-	August 31, 2021
August 27, 2021	16.60/-	20.20/-	August 25, 2021	16.60/-	August 27, 2021
August 16, 2021	19.35/-	19.35/-	August 16, 2021	19.35/-	August 16, 2021
August 13, 2021	20.35/-	21.40/-	August 12, 2021	20.35/-	August 13, 2021
July 30, 2021	22.50/-	23.90/-	July 27, 2021	22.50/-	July 30, 2021

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

The Issue Price of ₹[●]/- per Equity Share has been arrived at by our Company in consultation with the Lead Manager.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled ‘Government and Other Approvals’ beginning on page no 123 of this Draft Letter of Offer.*

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.*

*In addition to what has been specified in this Draft Letter of Offer, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labor laws and other miscellaneous laws 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. For details of government approvals obtained by us, please refer to the section titled ‘Government and Other Approvals’ beginning on page 123 of this Draft Letter of Offer.*

Depending upon the nature of the activities undertaken by our Company the following are the various regulations are applicable to our company.

#### APPROVALS

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 section titled ‘Government and Other Approvals’ beginning on page 123 of this Draft Letter of Offer.

#### INDUSTRY RELATED LAWS

##### **The Food Safety and Standards Act, 2006**

The Food Safety and Standards Act, 2006 (the FSSA) was enacted on August 23, 2006 with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (the Food Authority) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the GoI and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’.

In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Rules, 2011 (the FSSR) which were notified in the Gazette of India dated August 5, 2011 and have been operative since August 5, 2011. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of commissioner of food safety 'food safety officer' and food analyst and procedures of taking extracts, seizure, sampling and analysis. The FSSA lays down penalties for various offences (including recall procedures).

The Food Authority has also framed the following food safety and standards regulations:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011

#### **The Bureau of Indian Standards Act, 1986 ("BIS Act")**

The BIS Act provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter-alia, (a) recognizing as an Indian standard, any standard established by any other institution in India or elsewhere, in relation to any article or process; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make an inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a licence.

### **EMPLOYMENT AND LABOUR LAWS**

#### **Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (hereinafter referred to as the 'EPF Act') and the Employees Provident Fund Scheme, 1952.**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act frames Employees Provident Scheme, 1952.

#### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under Section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen

days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

### **The Employees Pension Scheme, 1995**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

### **Employee's Compensation Act, 1923**

It is common knowledge that many of the tasks for which labourers or workmen are employed involve great physical hardships, risks of loss or injury to the employees which may even result in death. This Act assures that the employee or his dependents are to be compensated for injury or death caused to him during his employment. The Employee's Compensation (Amendment) Act, 2017 (hereinafter referred to as "the amendment") received the President's assent in 12<sup>th</sup> April 2017.

### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day.

### **Payment of Gratuity Act, 1972**

Under the Payment of Gratuity Act, 1972, an employee in a factory or any other establishment in which 20 or more than 20 persons are employed on any day during an accounting year who is in continuous service for a period of five years notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee is eligible for gratuity upon his retirement, superannuation, death or disablement.

### **Minimum Wages Act, 1948 (hereinafter referred to as the 'MWA')**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages

to all employees engaged to do any work skilled, unskilled, manual or clerical in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Equal Remuneration Act, 1979**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

### **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the Company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

## **TAX RELATED LEGISLATIONS**

### **Goods and Service Tax (hereinafter referred to as the 'GST')**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union

Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise– goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

## INTELLECTUAL PROPERTY LEGISLATIONS

### Indian Patents Act, 1970

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, and 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 (hereinafter referred to as the 'TM Act')

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.

## ENVIRONMENTAL REGULATIONS

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act, 1974 (Water Act), the Air (Prevention and Control of Pollution) Act, 1981 (Air Act), the Environment Protection Act, 1986 (EPA) and the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 (Hazardous Waste Rules). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Board (PCB), which are vested with diverse powers to deal with water and air pollution, have been set up in each state purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Board (PCB), which are vested with diverse powers to deal with water and air pollution, have been set up in each state.

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the state PCB. The Water Act also provides that the consent of the state PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity.

The Hazardous Waste Rules, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose off such hazardous wastes properly and also imposes obligations in respect of the storage, treatment and storage of hazardous wastes. The occupier is liable for damages caused to environment or third party resulting from improper handling or disposal of hazardous waste.

### **The Public Liability Insurance Act, 1991 (“Public Liability Act”)**

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste.

### **Fire Prevention Laws**

The state legislatures have enacted fire control and safety rules and regulations of which Maharashtra Fire Prevention and Life Safety Measures Act, 2006, is applicable to our Company established in Maharashtra. The legislation include provisions in relation to fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance. Corresponding applicable legislations for fire safety as notified in Gujarat, namely the Gujarat fire Prevention and Life Safety Measures Act, 2013 and corresponding Rules are applicable to our units established in Gujarat vide the franchisee model.

## **FOREIGN INVESTMENT LAWS**

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated FDI Policy (hereinafter referred to as the ‘**Consolidated FDI Policy**’) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (hereinafter referred to as the ‘**DIPP**’) from time to time. Under the current FDI Policy (effective August 28, 2017) 100% foreign direct investment is permitted in IT/ITES sector, under the automatic route.

In terms of applicable regulations notified under FEMA and the SEBI (Foreign Portfolio Investors) Regulations, 2014 ((hereinafter referred to as the ‘**SEBI (FPI) Regulations**’), investments by Foreign Portfolio Investors (“**FPIs**”) in the capital of an Indian Company under the SEBI (FPI) Regulations are subject to certain limits individual holding limits of 10% of the capital of the Company per FPI and the aggregate holding limit of 24% of the capital of the company. However, the aggregate limit for FPI investment in a Company can be increased up to the applicable sectoral cap by passing a resolution of the company’s board of directors, followed by a special resolution by the shareholders and prior intimation to the RBI.



## OTHER LAWS

### **Shops and establishments laws in various states**

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws 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 shops and establishments and other rights and obligations of the employers and employees.

### **Municipality Laws**

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Police Laws**

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same including registering eating houses and obtaining a 'no objection certificate' for operating such eating houses with the police station located in that particular area, along with prescribing penalties for non-compliance.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **Transfer of Property Act, 1882**

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). 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.

### **Registration Act, 1908**

The Registration Act, 1908 (hereinafter referred to as '**Registration Act**') has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred

rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

## **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 and Consumer Protection Act 1986 are also applicable to the company.

## OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the draft letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

- In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as ‘material’;
- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended,

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

### CONTINGENT LIABILITIES OF OUR COMPANY

As per the Financial Statements for the Financial Year ending March 31, 2021, there are no contingent liabilities pending.

### LITIGATION INVOLVING OUR COMPANY

#### 1) Litigation Involving Actions by Statutory/Regulatory Authorities

As on date of this Draft Letter of Offer, there are no litigations involving any actions by statutory/ regulatory authorities which are filed by or against our Company.

#### 2) Litigation involving Tax Liabilities

##### (i) Direct Tax Liabilities

As on date of this Draft Letter of Offer, there are no direct tax liabilities against our Company;

##### (ii) Indirect Taxes Liabilities

As on date of this Draft Letter of Offer, there are no indirect tax liabilities against our Company;

#### 3) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Draft Letter of Offer, there are no proceedings involving issues of moral turpitude or criminal liability filed against our company. However, our Company has filed a criminal complaint with Learned Judicial Magistrate’s First Class Court at Mulshi in the year 2021, against the accused with whom the Company has entered into a Franchisee Agreement on June 01, 2016, in terms of the relevant provisions of the Criminal Procedure Code, 1973, read with Indian Penal Code, 1860, Trademark Act, 1999, and Copyrights Act, 1957. In terms of the Franchisee Agreement, it has been observed by the Company during inspection that the accused had breached the specifications,

service standards, and business practices whilst operating the restaurant. Presently, the said matter is pending and shall come up for hearing in due course;

**4) Proceedings involving Material Violations of Statutory Regulations by our Company**

Our Company has been in receipt of a notice dated April 26 2021, by Municipal Corporation of Greater Mumbai, under section 53(1) of the Maharashtra Regional and Town Planning Act, 1966, for carrying out unauthorized development at the registered office of our Company. Our Company is taking steps to carry out the conditions specified in the said notice, and the said matter is still pending as on date;

**5) Matters involving economic offences where proceedings have been initiated against our Company**

As on date of this Draft Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company;

**6) Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company**

As on date of this Draft Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;

**LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP**

**1) Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date of this Draft Letter of Offer, there are no subsisting litigations involving actions by statutory/ regulatory authorities filed by or against our directors, promoters, and promoter group;

**LITIGATION INVOLVING OUR GROUP COMPANIES**

**1) Litigation involving our Group Companies**

As on date of this Draft Letter of Offer, there are no subsisting litigations filed by or against our group companies;

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

**DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2021**

Except as mentioned in this Draft Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Draft Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

### APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. The Board of Directors have, pursuant to Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on Friday, September 17, 2021, authorized the Issue;
- b. In-principle approval dated [●] from the BSE Limited to use the name of BSE Limited for listing of the Equity Shares issued by our Company pursuant to the Issue;
- c. The ISIN of the Company is INE564S01019;

### APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

Sr. No.	Description	Registrar	Registration Number	Date of Certificate	Date of Expiry
a.	Certificate of Incorporation in the name of Kanisha Hotels Private Limited	ROC – Mumbai, Maharashtra	U55101MH2007PTC173446	August 24, 2007	Valid until Cancelled
b.	Certificate of Incorporation in the name of Vithal Kamats Restaurants Private Limited	ROC – Mumbai, Maharashtra	U55101MH2007PTC173446	October 1, 2013	Valid until Cancelled
c.	Certificate of Incorporation in the name of Vidli Restaurants Private Limited	ROC – Mumbai, Maharashtra	U55101MH2007PTC173446	February 26, 2015	Valid until Cancelled
d.	Certificate of Incorporation in the name of Vidli Restaurants Limited	ROC – Mumbai, Maharashtra	L55101MH2007PLC173446	November 23, 2015	Valid until Cancelled

## BUSINESS RELATED APPROVALS

### Approvals/registration valid

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry	Premises
a.	FSSAI License	Registering Authority, Food and Drug Administration, Mumbai, Maharashtra State under the Food Safety and Standards Act, 2006	1152101300020 1	August 13, 2021	August 12, 2023	D09 Eastern Business District, Magatram Petrol Pump, LBS Marg, Bhandup West. Greater Mumbai Ward – S, Greater Mumbai, Maharashtra – 400078, India.
b.	Shops and Establishment Registration and Certificate	Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act 2017	890469793 / GN Ward / COMMERCIAL II	May 03, 2021		
c.	FSSAI License	Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act 2017	2152101000012 9	May 29, 2021	May 28, 2026	531 – Swimming Pool, Floor – GRD, Plot – CTS No 531, Auditorium & Multipurpose Hall, Sion Dharavi Link Road, District Sports Complex, Near Dharavi Bus Depot, Sion, Sion, Greater Mumbai Ward – F/S, Greater Mumbai, Maharashtra – 400022, India.

### Franchisee Related Licenses

Sr. No.	Restaurant	FSSAI License Number	License Dated	Validity of License
a.	Vithal Kamats Restaurant Private Limited at Pune Rural – 412301, Maharashtra, India	11515038000025	January 17, 2021	January 16, 2026
b.	Hotel Sanskruti at Shirdi, Rahata, Ahmednagar, Gujarat, India	Terminated	Terminated	Terminated
c.	M/s Shri Swami Krupa Enterprises, Bhor District, Pune – 412205, Maharashtra, India	11515038000069	November 05, 2018	November 04, 2023
d.	M/s Saptatara Garden Family Restaurant at Wadhe Taluka, Satara, Maharashtra, India	11513039002858	May 31, 2019	May 30, 2024

Sr. No.	Restaurant	FSSAI License Number	License Dated	Validity of License
e.	Hotel Vithal Kamat at Gate No. 635, Kodhapuri, Pune, Maharashtra, India	11513038004966	March 14, 2018	March 13, 2023

## 1) TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
a)	Permanent Account Number	Income Tax Department	AADCK2041B	N.A	Valid until cancelled
b)	Tax Deduction Account Number	Income Tax Department	MUMV20982D	N.A	Valid until cancelled
c)	Service tax registration	Central Excise Department, Central Board of Excise and Customs	AADCK2041BSD003	N.A -	Registration No migrated in GST Number
d)	Registration under Sales Tax Act, 1956	Sales Tax Officer	27395275418C	March 10, 2014	Registration No migrated in GST Number
e)	Registration under Maharashtra Value Added Tax Act, 2002	Sales Tax Officer	27395275418V	March 10, 2014	Registration No migrated in GST Number
f)	Registration under Local Body Tax Department	Local Body Tax Department, Nashik Municipal Corporation	NSK503993	N.A	Business discontinued
g)	Central sales Act, 1956	Assistant Commercial Tax Officer	8652193850	November 01, 2014	Business discontinued
h)	Registration Certificate Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer (13), Registration Branch, Mumbai	27395275418P	March 11, 2014	Business discontinued
i)	Certificate of enrolment Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer (C-016), Registration Branch, Mumbai	99492139329P	March 11, 2014	Business discontinued
j)	Certificate of Registration and Allotment of TIN	Assistant Commissioner, Department of Commercial Taxes, Government of Uttar Pradesh	August 01, 2014	N.A	Business discontinued

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
k)	Assistant Commercial Tax Officer under the Rajasthan VAT Act, 2003		8652193850	November 01, 2014	
l)	GST Registration	Silvassa,Dadra Nagar Haveli	26AADCK2041B1Z8	June 14, 2019	Valid until cancelled
m)	GST Registration	Maharashtra	27AADCK2041B1Z6	July 01, 2017	Valid until cancelled

## 2) INTELLECTUAL PROPERTY RIGHTS

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Applicant	Registration No.	Date of Application	Registration Status	Company's rights
a)	House of Kamat under Class 35 of the Trade Mark Act	Device	Conwy Hospitality Private Limited	4165693	May 03, 2019	Registered	Registration valid for a period of 10 years i.e. May 03, 2029
b)	House of Kamat under Class 35 of the Trade Mark Act	Device	Conwy Hospitality Private Limited	4165695	May 03, 2019	Registered	Registration valid for a period of 10 years i.e. May 03, 2029
c)	Kamat under Class 35 of the Trade Mark Act	Word	Conwy Hospitality Private Limited	4165698	May 03, 2019	Registered	Registration valid for a period of 10 years i.e. May 03, 2029
d)	House of Kamat under Class 35 of the Trade Mark Act	Word	Conwy Hospitality Private Limited	4165699	May 03, 2019	Registered	Registration valid for a period of 10 years i.e. May 03, 2029
e)	Urban Dhaba under Class 35 of the Trade Mark Act	Device	Vidli Restaurant Limited	4104706	March 01, 2019	Registered	Registration valid for a period of 10 years i.e. March 01, 2029
f)	Scoop by Kamats under Class 35 of the	Logo (Device)	Vidli Restaurant Limited	4078959	February 06, 2019	Registered	Registration valid for a period of 10 years i.e.



Sr. No.	Trademarks/ Copyright	Class Trademark Type	Applicant	Registration No.	Date of Application	Registration Status	Company's rights
	Trade Mark Act						February 06, 2029
g)	Scoop by Kamats under Class 30 of the Trade Mark Act	Logo (Device)	Vidli Restaurant Limited	4078960	February 06, 2019	Registered	Registration valid for a period of 10 years i.e. February 06, 2029
h)	Pepper Fry by Kamats under Class 43 of the Trade Mark Act	Logo (Device)	Vidli Restaurant Limited	4078961	February 06, 2019	Registered	Registration valid for a period of 10 years i.e. February 06, 2029
i)	Pepper Fry by Kamats under Class 43 of the Trade Mark Act	Logo (Device)	Vidli Restaurant Limited	4078962	February 06, 2019	Registered	Registration valid for a period of 10 years i.e. February 06, 2029
j)	Pepper Fry under Class 43 of the Trade Mark Act	Word	Vidli Restaurant Limited	4078963	February 06, 2019	Registered	Registration valid for a period of 10 years i.e. February 06, 2029
k)	Kamats under Class 42 of the Trade Mark Act	Device	Conwy Hospitality Private Limited	1545797	April 02, 2007	Registered	Registration valid up to April 02, 2027
l)	Kamats (Special Form Writing) under Class 16 of the Trade Mark Act	Device	Conwy Hospitality Private Limited	1545798	April 02, 2007	Registered	Registration valid up to April 02, 2027
m)	Kamats (Special Form Writing) under Class 31 of the Trade Mark Act	Device	Conwy Hospitality Private Limited	1545801	April 02, 2007	Registered	Registration valid up to April 02, 2027

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Applicant	Registration No.	Date of Application	Registration Status	Company's rights
n)	Kamats (Special Form Writing) under Class 32 of the Trade Mark Act	Device	Conwy Hospitality Private Limited	1545802	April 02, 2007	Registered	Registration valid up to April 02, 2027
o)	Kamats (Special Form Writing) under Class 33 of the Trade Mark Act	Device	Conwy Hospitality Private Limited	1545803	April 02, 2007	Registered	Registration valid up to April 02, 2027
p)	KAMATS under class 43 of Trade Mark Act	Device Restaurant	Kamat Holiday Resort (Silvassa) Limited	2986229	June 16, 2015	Send to Vienna Codification	The Company has entered into Permitted Users License Agreement dated for 15 years with the applicant, whereby the applicant conferred on our Company a non-exclusive right to use the trademark and copyright in the form of artwork.
q)	KAMATS under the provisions of Copyright Act	Unpublished Artistic Work	Kamat Holiday Resort (Silvassa) Limited	A114316/2015	November 13, 2015	Registered	
r)	VITHAL KAMATS as special form of writing	Device Restaurant	Dr. Vithal V Kamat	1545811	April 02, 2007	Registered	Our Company has entered into

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Applicant	Registration No.	Date of Application	Registration Status	Company's rights
	under class 42 of Trade Mark Act						Agreement for Use of Copyright / Trademark dated October 12, 2013 for 15 years with the applicant, whereby the applicant grants our Company right/license to use copyright/mark/trademark/logo
s)	VITHAL KAMATS class 43 Trademark 1999 under of Act	Device Restaurant	Dr. Vithal V Kamat	2010226	August 17, 2010	Registered	Our Company has entered into Agreement for Use of Copyright/ Trademark dated October 12, 2013 for 15 years with the applicant, whereby the applicant grants our Company
t)	VITHAL KAMATS class 43 of Trademark Act, 1999	Device - Restaurant	Dr. Vithal V Kamat	1640351	January 11, 2008	Registered	Our Company has entered into Agreement for Use of Copyright / Trademark

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Applicant	Registration No.	Date of Application	Registration Status	Company's rights
							dated October 12, 2013 for 15 years with the applicant, whereby the applicant grants our Company right/ license to use copyright/ mark/ trademark/ logo
u)	VITHAL KAMATS class 43 of Trademark Act, 1999	Device - Restaurant	Dr. Vithal V Kamat	2009447	August 16, 2010	Registered	Our Company has entered into Agreement for Use of Copyright/ Trademark dated October 12, 2013 for 15 years with the applicant, whereby the applicant grants our Company right/ license to use copyright/ mark/ trademark/ logo
v)	KAMATS (special fo	Device - Restaurant	Dr. Vithal V Kamat	1545819	April 02, 2007	Registered	The Company has entered

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Applicant	Registration No.	Date of Application	Registration Status	Company's rights
	rm of writing)						into Permitted Users License Agreement dated for 15 years with the applicant, whereby the applicant conferred on our Company a non-exclusive right to use the trademark and copyright in the form of artwork
w)	VITHAL KAMATS (LABEL) under class 42 of Trademark Act, 1999	Device - Restaurant	Dr. Vithal V. Kamat	1739256	September 30, 2008	Registered	Our Company has entered into Agreement for Use of Copyright/ Trademark dated October 12, 2013 for 15 years with the applicant, whereby the applicant grants our Company right/licens

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Applicant	Registration No.	Date of Application	Registration Status	Company's rights
							e to use copyright/ mark/ trademark/ logo
x)	VITHAL KAMATS under class 43 of Trademark Act, 1999	Device - Restaurant	Dr. Vithal V. Kamat	1743062	October 14, 2008	Registered	Our Company has entered into Agreement for Use of Copyright/ Trademark dated October 12, 2013 for 15 years with the applicant, whereby the applicant grants our Company right/licens e to use copyright/ mark/ trademark/ logo
y)	VIDLI under class 43 of Trademark Act	Device - Restaurant	Mr. Vikram V Kamat	2857895	December 08, 2014	Send to Vienna Codification	--

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on Friday, September 17, 2021;
2. The Board of Directors of our Company in their meeting conducted on [●] approved this Issue inter-alia on the following terms:

<b>Issue Size</b>	[●] Equity Shares;
<b>Issue Price</b>	₹[●]/- (Rupees [●]) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Equity Share); On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price and the balance ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by the Board of Directors at its sole discretion, from time to time;
<b>Issue Entitlement Ratio</b>	[●]:[●] i.e., Equity Shares for every [●] Equity Shares held by Eligible Shareholders of our Company as on Record Date;
<b>Record Date</b>	[●];

The Issue Price shall be determined at in consultation with the Lead Manager to the Issue;

3. This Draft Letter of Offer has been approved at Committee meeting of the Board of Directors on September 30, 2021;
4. Receipt of In-principle approval from BSE Limited in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference number [●] from BSE Limited dated [●]. Our Company will also make application to BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;
5. Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company;

### PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
2. The companies with which our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Wilful Defaulters by the RBI;

4. None of our Directors are associated with the securities market in any manner;
5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders;
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;
7. There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies;

#### **ELIGIBILITY FOR THE ISSUE**

1. Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the SME Platform of BSE Limited. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;
2. Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue.

#### **COMPLIANCE WITH SEBI (ICDR) REGULATIONS**

1. The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in);
2. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;
3. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue;

#### **COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date;
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE Limited;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards



share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

#### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company is in compliance with the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018.

#### **DISCLAIMER CLAUSE OF SEBI**

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹5,000.00 Lakhs.

As required, a copy of the Letter of Offer will be submitted to SEBI.

#### **DISCLAIMER CLAUSES FROM OUR COMPANY**

Our Company accept no responsibility for the statements made otherwise than in this Draft Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

#### **CAUTION**

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

#### **DISCLAIMER WITH RESPECT TO JURISDICTION**

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

**DESIGNATED STOCK EXCHANGE**

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited.

**DISCLAIMER CLAUSE OF BSE LIMITED**

As required, a copy of this Draft Letter of Offer has been submitted to the BSE Limited. BSE Limited has given vide its letter dated [●] to use its name in this Draft Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited.

Further, BSE Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
2. Warrant that our Company's Equity Shares will be listed or will continue to be listed on BSE Limited; or
3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the BSE Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**FILING**

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require issuer to file Draft Letter of Offer with SEBI. The Company has filed Draft Letter of Offer with the Stock Exchanges for obtaining in-principle approval.

**SELLING RESTRICTIONS**

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Shareholders who have provided their Indian addresses to our Company and who

make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the BSE Limited, and on R-WAP. Accordingly, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

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

**The contents of this Draft Letter of Offer, the Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Right Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of Right Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates are making any representation to any**

**offeree or purchaser of the Right Shares or the Rights Entitlements regarding the legality of an investment in the Right Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.**

**NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Right Shares have not been and will not be registered under the United States Securities Act, 1933, as amended, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act, except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Right Shares referred to in this Draft Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Right Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Draft Letter of Offer, the Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Entitlement Letter, and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

**We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:**

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;**
- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. Where a registered Indian address is not provided;**
- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

**And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form.**

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

## INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

### 1. Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of Arun Suresh Jain, Chairperson, Vidhi Vikram Kamat, and Kurian Pallathuseri Chandy, members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, Bigshare Services Private Limited, for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

### 2. Investor Grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by Bigshare Services Private Limited, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled *‘Terms of the Issue’* on page 141 of this Draft Letter of Offer.

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
<p><b>Gauri Shivajirao Gabale</b> D-09, Eastern Business District, LBS Road Bhandup West, Mumbai – 400 078, Maharashtra, India; <b>Contact Details:</b> +91-7400058768; <b>Email-ID:</b> <a href="mailto:cs@kamatsindia.com">cs@kamatsindia.com</a>;</p>	<p><b>Bigshare Services Private Limited</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059 Maharashtra, India <b>Contact Details:</b> 022 - 40430200 / 62638200; <b>Fax Number:</b> 022 - 28475207 / 62638299; <b>E-mail ID:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>; <b>Investor grievance e-mail:</b> <a href="mailto:rightsissue@bigshareonline.com">rightsissue@bigshareonline.com</a>; <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>; <b>Contact Person:</b> Ashish Bhope; <b>SEBI Registration Number:</b> INR000001385;</p>

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**SECTION IX – ISSUE INFORMATION**

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**TERMS OF THE ISSUE**

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.*

*Investors are requested to note that application in this Issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA is onetime relaxation made available by SEBI in view of the COVID-19 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com).*

**OVERVIEW**

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited and the terms and conditions as stipulated in the Allotment advice.

**IMPORTANT****1. Dispatch and availability of Issue materials**

In accordance with the SEBI ICDR Regulations, ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (“Issue Materials”) only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

- a. Our Company's website at [www.kamatsindia.com](http://www.kamatsindia.com);
- b. Registrar to the Issue's website at [www.bigshareonline.com](http://www.bigshareonline.com);
- c. BSE Limited's website at [www.bseindia.com](http://www.bseindia.com);
- d. Registrar's web-based application platform ('R-WAP') at [www.bigshareonline.com](http://www.bigshareonline.com);

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at [www.kamatsindia.com](http://www.kamatsindia.com).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation and pursuant to the SEBI Rights Issue Circulars, our Company, the Lead Manager, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

## 2. Facilities for Application in this Issue

**In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP (instituted only for resident Investors in this Issue). Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, please refer to the Paragraph titled 'Procedure for Application through the ASBA Process' and 'Procedure for Application through the R-WAP' on pages 156 and 157, respectively of this Draft Letter of Offer.**

### a. ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, Paragraph titled '**Procedure for Application through the ASBA Process**' on page 156 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.



Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

**b. Registrar's Web-based Application Platform (R-WAP)**

In accordance with R-WAP Circulars, a separate web-based application platform, i.e., the R-WAP facility accessible at [www.bigshareonline.com](http://www.bigshareonline.com), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

**PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE 'RISK FACTOR - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS' ON PAGE [●] OF THIS DRAFT LETTER OF OFFER.**

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk at [www.bigshareonline.com](http://www.bigshareonline.com) or call helpline number 022 - 40430200 / 62638200. For details, see '*Procedure for Application through the R-WAP*' on page 157 of this Draft Letter of Offer.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see '*Grounds for Technical Rejection*' on page 167 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '*Application on Plain Paper under ASBA process*' on page 160 of this Draft Letter of Offer.

**c. Credit of Rights Entitlements in demat accounts of Eligible Shareholders**

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and

- b. A demat suspense escrow account (namely, '**VIDLI RESTAURANTS LIMITED - RIGHTS ENTITLEMENT SUSPENSE ESCROW DEMAT ACCOUNT**') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
- (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
  - (ii) Equity Shares held in the account of IEPF authority; or
  - (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
  - (iv) Credit of the Rights Entitlements returned/ reversed/ failed; or
  - (v) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

Eligible Shareholders as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer.

**d. Application by Eligible Shareholders holding Equity Shares in physical form**

As on date, all the Eligible Shareholders are holding Equity Shares in dematerialized format and hence, there arises no liability for an application being made by Eligible Shareholders holding Equity Shares in physical form.

**OTHER IMPORTANT LINKS AND HELPLINE**

The Investors can visit following links for the below-mentioned purposes:

1. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.bigshareonline.com](http://www.bigshareonline.com);
2. Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com);
3. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: [www.bigshareonline.com](http://www.bigshareonline.com);

**RENOUNCEES**

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

## AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on Friday, September 17, 2021 in accordance with the provisions of Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹[●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date.

The Issue Price has been arrived at in consultation with the Lead Manager.

## BASIS FOR THIS ISSUE

The Right Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members at the close of business hours on the Record Date.

## RIGHTS ENTITLEMENTS

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form may be entitled to subscribe to the number of Right Shares as set out in the Rights Entitlement Letter.

Eligible Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on our Company's website at [www.kamatsindia.com](http://www.kamatsindia.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Shareholders before the Issue Opening Date only in dematerialised form.

Our Company is undertaking this Issue on a rights basis to the Eligible Shareholders and will send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form only to email addresses of Eligible Shareholders who have provided their Indian address to our Company or who are located in jurisdictions where this Issue and sale of the Rights Entitlements or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, R-WAP, our Company, and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) and on the BSE Limited's website. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Right Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer filed with BSE Limited and the Letter of Offer to be filed with SEBI and the BSE Limited. Accordingly, the Rights Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such

jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Right Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Forms received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Right Shares under the laws of any jurisdiction which apply to such person.

## PRINCIPAL TERMS OF THIS ISSUE

### 1. Face Value

Each Right Shares will be having face value of ₹10.00 (Rupees Ten Only).

### 2. Issue Price

Each Rights Equity Share is being offered at a price of ₹[●] (Rupees [●] Only) per Rights Equity Share (including a premium of ₹[●] (Rupees [●] Only) per Rights Equity Share) in this Issue.

On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price and the balance ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by the Board of Directors at its sole discretion, from time to time;

The Issue Price for Right Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

### 3. Rights Entitlements Ratio

The Right Shares are being offered on a rights basis to the Eligible Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held by the Eligible Shareholders as on the Record Date.

### 4. Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

## 5. Terms of Payment

Amount payable per Right Equity Share	Face Value	Premium	Total
On Application	₹[●]	₹[●]	₹[●]
On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time*	₹[●]	₹[●]	₹[●]
<b>Total</b>	<b>₹10.00/-</b>	<b>₹[●]</b>	<b>₹[●]</b>

\*Our Company shall have the right to call up the remaining paid-up capital in one or more Call(s), as determined by our Board at its sole discretion, from time to time;

Each Rights Equity Share is being offered at a price of ₹[●]/- per Rights Equity Share (including a premium of ₹[●]/- per Rights Equity Share), for every 1 Rights Equity Share allotted in this Issue.

Where an Applicant has applied for additional Right Shares and is Allotted a lesser number of Right Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

## 6. Record Date for Calls and Suspension of Trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the BSE Limited for the purpose of determining the list of Rights Equity Shareholders to whom the notice for the Calls would be sent. Once the Call Record Date has been fixed, trading in the Right Shares for which the calls have been made may be suspended prior to the Call Record Date.

## 7. Procedure for Calls for Right Shares

Our Company would convene a meeting of our Board to pass the required resolutions for making the Calls and suitable intimation would be given by our Company to the BSE Limited. Further, advertisements for the same will be published in English National daily newspaper; and Marathi language daily newspaper; (Marathi being the regional language of Karnataka, where our Registered office is situated), all with wide circulation.

The Calls shall be deemed to have been made at the time when the resolution authorizing such Calls are passed at the meeting of our Board of Directors/ Issue Committee. The Calls may be revoked or postponed at the discretion of our Board. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 14 (Fourteen) days' notice for the payment of the Calls. Our Board of Directors/ Issue Committee may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Calls, and if it does not receive the Call Money as per the timelines stipulated unless extended by our Board of Directors/ Issue Committee, the defaulting Rights Equity Shareholders will be liable to pay interest as may be fixed by our Board of Directors/ Issue Committee unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made.

## 8. Separate ISIN for Right Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Right Shares for each Call, until fully paid-up. The Right Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call notice. The ISIN representing the Right Shares will be terminated after the Call Record Date for the final

Call. On payment of the final Call Money in respect of the Right Shares, such Right Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

## 9. Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see '*Procedure for Renunciation of Rights Entitlements*' on page 159 of this Draft Letter of Offer.

In accordance with SEBI circulars bearing reference numbers 'SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020' read with 'SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020', and 'SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021' the Eligible Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements. However, as on date, none of the equity shareholders of the Company hold Equity Shares in physical form.

## 10. Process of Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Issue Circulars, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialized form; and
- b. A demat suspense escrow account (namely, '*VIDLI RESTAURANTS LIMITED - RIGHTS ENTITLEMENT SUSPENSE ESCROW DEMAT ACCOUNT*') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
  - (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
  - (ii) Equity Shares held in the account of IEPF authority; or
  - (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
  - (iv) Credit of the Rights Entitlements returned/ reversed/ failed; or
  - (v) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

#### **11. Fractional Entitlements**

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of [●] Right Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Right Shares over and above their Rights Entitlements, if any, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Right Shares, over and above his/her Rights Entitlements, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement for the Right Shares. Such Eligible Shareholders are entitled to apply for additional Right Shares and will be given preference in the Allotment of one Right Shares, if such Eligible Shareholders apply for additional Right Shares, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

#### **12. Ranking of Equity Shares**

The Right Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of

Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

The Right Shares being issued and Allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Right Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

### 13. Trading of the Rights Entitlements

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE Limited under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE Limited for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see '*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*' and '*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*' on page 159 of this Draft Letter of Offer.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

### 14. Listing and trading of the Right Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Right Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Right Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Right Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the BSE Limited for final approvals for the listing and trading of the Right Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Right Shares or the price at which the Right Shares offered under this Issue will trade after the listing thereof.



The Right Shares shall be listed and admitted for trading on the BSE Limited under separate ISINs for Right Shares. The procedures for listing and trading of Right Shares shall be completed within 7 (Seven) Working Days from the date of finalization of the Basis of Allotment.

For an applicable period, from the Call Record Date, the trading of the Right Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Right Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount under the Call notice for the final Call.

The existing Equity Shares are listed and traded on BSE Limited bearing Scrip Code '539659' under ISIN 'INE564S01019'. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Right Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid up Equity share of our company.

The listing and trading of the Right Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the BSE Limited, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the BSE Limited, rejecting the application for listing of the Right Shares, and if any such money is not refunded/ unblocked within 8 (Eight) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

#### **15. Subscription to this Issue by our Promoter and our Promoter Group**

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled '*Intention and extent of participation by our Promoter and Promoter Group*' under the section titled '*Capital Structure*' on page 45 of this Draft Letter of Offer.

#### **16. Rights of holders of Right Shares of our Company**

Subject to applicable laws, holders of the Right Shares shall have the following rights:

- a. The Right Shares shall rank *pari-passu* with the existing Equity Shares in all respects;
- b. The right to receive dividend, if declared;
- c. The right to vote in person, or by proxy, except in case of Right Shares credited to the demat suspense account for resident Eligible Shareholders;
- d. The right to receive surplus on liquidation;
- e. The right to free transferability of Right Shares;
- f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- g. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

**Subject to applicable law and Articles of Association, holders of Right Shares shall be entitled to the above rights in proportion to amount paid-up on such Right Shares in this Issue.**

## **GENERAL TERMS OF THE ISSUE**

### **1. Market Lot**

The Right Shares of our Company shall be tradable only in dematerialized form. The market lot for the Right Shares in dematerialized mode is 1 (One) Equity Share.

### **2. Minimum Subscription**

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

- a. Objects of the issue being other than capital expenditure for a project; and
- b. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement, in part or to full extent and will not renounce rights except to the extent of renunciation within the promoter group

The objects of the Rights Issue involve financing other than the financing of capital expenditure for a project.

### **3. Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Right Shares offered in this Issue.

### **4. Nomination**

Nomination facility is available in respect of the Right Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Right Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

### **5. Arrangements for Disposal of Odd Lots**

The Right Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) Equity Share and hence no arrangements for disposal of odd lots are required.

### **6. Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

## 7. Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website.

### **OFFER TO NON-RESIDENT ELIGIBLE SHAREHOLDERS/INVESTORS**

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Right Shares to non-resident shareholders including additional Right Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

1. Subscribe for additional Equity Shares over and above their Rights Entitlements;
2. Renounce the Equity Shares offered to them either in full or in part thereof in favour of a person named by them; or
3. Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Right Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Right Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Right Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Right Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

**Please note that only resident Investors can submit an Application using the R-WAP facility.**

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (hereinafter referred to as ‘OCBs’) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Shareholders can update their Indian address in the records maintained by the Registrar through email at [www.bigshareonline.com](http://www.bigshareonline.com) and our Company through email at [www.kamatsindia.com](http://www.kamatsindia.com) by submitting their respective copies of self-attested proof of address, passport, etc.

## PROCEDURE FOR APPLICATION

### How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

### Application Form

The Application Form for the Right Shares offered as part of this Issue would be sent to the Eligible Shareholders only to

- (i) E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- (ii) Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- (iii) Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- (iv) E-mail addresses of foreign corporate or institutional shareholders.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

**Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).**

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit [www.bigshareonline.com](http://www.bigshareonline.com). Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of:

- (i) Our Company at [www.kamatsindia.com](http://www.kamatsindia.com);
- (ii) The Registrar at [www.bigshareonline.com](http://www.bigshareonline.com);
- (iii) The Lead Manager at [www.capitalsquare.in](http://www.capitalsquare.in);
- (iv) The Stock Exchanges at [www.bseindia.com](http://www.bseindia.com)
- (v) The Registrar's web-based application platform ('R-WAP') at [www.bigshareonline.com](http://www.bigshareonline.com);

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at [www.kamatsindia.com](http://www.kamatsindia.com).

The Application Form can be used by the Eligible Shareholders as well as the Renounees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Shareholders applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Right Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Right Shares by:

- (i) Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or
- (ii) Filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. **Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- (i) The ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- (ii) The requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

**Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.**

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see 'Grounds for Technical Rejection' on page 172 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making an Application that is available on the website of the Registrar, Stock Exchanges, and Lead Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '*Application on Plain Paper under ASBA process*' on page 160 of this Draft Letter of Offer.

#### **OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS**

The Rights Entitlement Letter will clearly indicate the number of Right Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Right Shares to the full extent of its Rights Entitlements; or
2. Apply for its Right Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Right Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Right Shares to the full extent of its Rights Entitlements and apply for additional Right Shares; or
5. Renounce its Rights Entitlements in full.

#### **PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS**

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

### Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

### Procedure for Application through the R-WAP

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see the risk factor '*The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways*' on page 30 of this Draft Letter of Offer.

### Set out below is the procedure followed using the R-WAP

Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021.

1. Resident Investors should visit R-WAP accessible at [www.bigshareonline.com](http://www.bigshareonline.com) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP-ID, Client-ID, PAN details and all other details sought for while submitting the online Application Form;
2. Non-resident Investors are not eligible to apply in this Issue through R-WAP;
3. The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling up the online Application Form which, among others, will require details of total number of Right Shares to be applied for. Please note that the Application Money will be determined based on number of Right Shares applied for;
4. The Investors who are Renounees should select the category of 'Renounee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renounees shall also be required to provide the required Application details, such as total number of Right Shares to be applied for;

5. The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected;
6. Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
7. The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

### ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Right Shares:

1. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or
2. Filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Please note that on the Issue Closing Date:

1. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited, and
2. The R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

**Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 160 of this Draft Letter of Offer.

### ADDITIONAL RIGHT SHARES

Investors are eligible to apply for additional Right Shares over and above their Rights Entitlements, provided that they are eligible to apply for Right Shares under applicable law and they have applied for all the Right Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Equity. Where the number of additional Right Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Right Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 171 of this Draft Letter of Offer.



**Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Right Shares.**

Resident Eligible Shareholders whose dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Right Shares while submitting the Application through ASBA process or using the R-WAP.

**PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**THE LEAD MANAGER AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.**

**PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.**

**(i) On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The

transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

**(ii) Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

**APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

**PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.**

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (i) Name of our Company, being '*Vidli Restaurants Limited*';
- (ii) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (iii) Registered Folio No./DP and Client ID No.;
- (iv) Number of Equity Shares held as on Record Date;
- (v) Allotment option – only dematerialized form;

- (vi) Number of Right Shares entitled to;
- (vii) Total number of Right Shares applied for;
- (viii) Number of additional Right Shares applied for, if any;
- (ix) Total number of Right Shares applied for;
- (x) Total amount paid at the rate of ₹[●]/- for Right Shares issued in one Rights Entitlement;
- (xi) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- (xii) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- (xiii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Right Shares applied for pursuant to this Issue;
- (xiv) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (xvi) In addition, all such Eligible Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act

(hereinafter referred to as ‘**Regulation S**’), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.” In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com).

I/ We acknowledge that Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

#### **MODE OF PAYMENT**

All payments against the Application Forms shall be made only through

1. ASBA facility; or
2. Internet banking or UPI facility if applying through R-WAP.

The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor’s ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar’s instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the

amount payable on Application mentioned in the Application Form. After the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, please see 'Procedure for Application through R-WAP' on page 157 of this Draft Letter of Offer.

#### **APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

As on date, none of the equity shareholders of the Company hold Equity Shares in physical form.

#### **ALLOTMENT OF THE RIGHT SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE RIGHT SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE 'ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS' ON PAGE 167 OF THIS DRAFT LETTER OF OFFER.**

#### **GENERAL INSTRUCTIONS FOR INVESTORS**

1. Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process;
2. Please read the instructions on the Application Form sent to you;
3. The Application Form can be used by both the Eligible Shareholders and the Renounees;
4. Application should be made only through the ASBA facility or using R-WAP;
5. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;
6. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 160 of this Draft Letter of Offer;
7. In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP;
8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
9. In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts;

10. Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited;
11. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager;
12. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;
13. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected.** With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Right Shares pursuant to this Issue shall be made into the accounts of such Investors;
14. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;
15. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;
16. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant;
17. All communication in connection with Application for the Right Shares, including any change in address of the Eligible Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Shareholders, the Eligible Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;
18. Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number ‘CIR/CFD/DIL/13/2012 dated September 25, 2012’ within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;

19. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;
20. Investors are required to ensure that the number of Right Shares applied for by them do not exceed the prescribed limits under the applicable law;
21. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

***Do's:***

1. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects;
4. Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

***Don'ts:***

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;
4. Do not pay the Application Money in cash, by money order, pay order or postal order;
5. Do not submit multiple Applications.

***Do's for Investors applying through ASBA:***

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Right Shares will be Allotted in the dematerialized form only;
2. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;

3. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;
4. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;
5. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

***Do's for Investors applying through R-WAP:***

1. Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application;
2. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in the bank account through which payment is made using the R-WAP;
3. Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment. In case you are using a bank account which is not linked with your demat account, please make sure to attach a copy of cheque at the time of submitting the Application;
4. Ensure that you receive a confirmation email on successful transfer of funds;
5. Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required;
6. Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application;

***Don'ts for Investors applying through ASBA:***

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;
3. Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;



***Don'ts for Investors applying through R-WAP:***

1. Do not apply from bank account of third parties;
2. Do not apply if you are a non-resident Investor;
3. Do not apply from non-resident account;
4. Do not apply from corporate account;

**Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;
2. Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;
5. Account holder not signing the Application or declaration mentioned therein;
6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;
7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;
8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer;
12. Physical Application Forms not duly signed by the sole or joint Investors;
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;

14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Right Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Right Shares in respect of any such Application Form;
16. Applications which have evidence of being executed or made in contravention of applicable securities laws;
17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;
18. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

**Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):**

1. Applications by non-resident Investors;
2. Payment from third party bank accounts;

Our Company may, in consultation with the Lead Managers and Designated Stock Exchange, decide to relax any of the grounds of technical rejection mentioned hereinabove.

**DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE**

**IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHT SHARES DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

**The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Right Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

## MODES OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

### 1. Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

### 2. Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

- (i) Individual non-resident Indian Applicants who are permitted to subscribe to Right Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager;

*Note: In case of non-resident Eligible Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.*

*The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Shareholders at (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.*

- (ii) Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Right Shares may be restricted by applicable securities laws;
- (iii) Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

## Notes

- (i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Right Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- (ii) In case Right Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Right Shares cannot be remitted outside India;
- (iii) In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;
- (iv) Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Right Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;
- (v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;
- (vi) Non-resident Renounees who are not Eligible Shareholders must submit regulatory approval for applying for additional Right Shares;

## MULTIPLE APPLICATIONS

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Right Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '*Procedure for Applications by Mutual Funds*' below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

## LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●]day, [●], 2021, i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Right Shares hereby offered, as provided under the section, '*Basis of Allotment*' on page 171 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

## WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com) in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

## ISSUE SCHEDULE

<b>Last date for Credit of Rights Entitlements</b>	<input type="checkbox"/>
<b>Issue Opening Date</b>	<input type="checkbox"/>
<b>Last Date for On Market Renunciation*</b>	<input type="checkbox"/>
<b>Issue Closing Date</b>	<input type="checkbox"/>
<b>Finalisation of Basis of Allotment (on or about)</b>	<input type="checkbox"/>
<b>Date of Allotment (on or about)</b>	<input type="checkbox"/>
<b>Date of Credit (on or about)</b>	<input type="checkbox"/>
<b>Date of Listing (on or about)</b>	<input type="checkbox"/>

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

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

## BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Right Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Right Shares either in full or in part and also to the Renouncee(s) who has or have applied for Right Shares renounced in their favour, in full or in part.
2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Right Shares. Allotment under this head shall be considered if there are any unsubscribed Right Shares after allotment under (a) above. If number of Right Shares required for Allotment under this head are more than the number of Right Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

3. Allotment to the Eligible Shareholders who having applied for all the Right Shares offered to them as part of this Issue, have also applied for additional Right Shares. The Allotment of such additional Right Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Right Shares after making full Allotment in (1) and (2) above. The Allotment of such Right Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
4. Allotment to Renounees who having applied for all the Right Shares renounced in their favour, have applied for additional Right Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Right Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Right Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

#### **ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will e-mail Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of Right Shares and/or letters of regret, along with crediting the Allotted Right Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

## **PAYMENT OF REFUND**

### ***Mode of making refunds***

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (2) to (7) below.

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as ‘NACH’) – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
3. National Electronic Fund Transfer (hereinafter referred to as ‘NEFT’) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (hereinafter referred to as ‘IFSC Code’), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.

6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

**In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.**

#### **Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

#### **ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES**

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

#### **RECEIPT OF THE RIGHT SHARES IN DEMATERIALIZED FORM**

PLEASE NOTE THAT THE RIGHT SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

1. THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR
2. THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR
3. DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE SHAREHOLDERS/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Right Shares in dematerialized (electronic) form.

#### **INVESTORS MAY PLEASE NOTE THAT THE RIGHT SHARES CAN BE TRADED ON THE BSE LIMITED ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Right Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.



2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Right Shares and the Application Form will be rejected.
5. The Right Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Shareholders with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Right Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Right Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

#### **PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS**

##### **1. Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares 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 registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore

derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

## **2. Procedure for Applications by AIFs, FVCIs and VCFs**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R -WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

## **3. Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

## **4. Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or

custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

## 5. Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

### PAYMENT BY STOCKINVEST

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Rights Issue.

### DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Shareholders upon submission of the Application.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Right Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA

Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

#### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

1. The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;
2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE Limited, where the Right Shares are to be listed are taken within the time limit specified by the SEBI;
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
6. Adequate arrangements shall be made to collect all ASBA applications and record all Applications made through R-WAP process;

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board declares that:

1. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.
2. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and
3. Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

#### **IMPORTANT**

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed '**VIDLI RESTAURANTS LIMITED – RIGHT ISSUE**' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

**BIGSHARE SERVICES PRIVATE LIMITED**

1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East),  
Mumbai - 400059, Maharashtra, India

**Contact Details:** 022 - 40430200 / 62638200;

**Fax Number:** 022 - 28475207 / 62638299;

**E-mail ID:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com);

**Investor grievance e-mail:** [rightsissue@bigshareonline.commailto:grievances@skylinerta.com](mailto:rightsissue@bigshareonline.commailto:grievances@skylinerta.com);

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

**Contact Person:** Ashish Bhope;

**SEBI Registration Number:** INR000001385;

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar ([www.skylinerta.com](http://www.skylinerta.com)). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 40430200 / 62638200.
4. This Issue will remain open for a minimum 15 (Fifteen) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the ‘automatic route’, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (**‘FDI Circular 2020’**), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

The Lead Manager to the Issue and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager to the Issue are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

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## SECTION X – OTHER INFORMATION

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Please note that the Right Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.



## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at [www.kamatsindia.com](http://www.kamatsindia.com) from the date of this Draft Letter of Offer until the Issue Closing Date.

### MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated September 30, 2021 between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated [●] among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue;

### MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our company;
2. Certificate of incorporation and fresh certificate of incorporation pursuant to change of name of our company;
3. Copies of annual report of our Company for the last three Financial Years for the Financial Year ending March 31, 2021, March 31, 2020, March 31, 2019;
4. Resolution of our Board of Directors dated Friday, September 17, 2021 approving the Issue;
5. Resolution of our Board of Directors dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
6. Committee Resolution dated Thursday, September 30, 2021, approving this Draft Letter of Offer;
7. Resolution of our Board of Directors dated [●], approving the Letter of Offer;
8. Consents of our Directors, Lead Manager, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
9. Report on Statement of Special Tax Benefits dated Thursday, September 30, 2021 for our Company from the Statutory Auditors of our Company;
10. In-principle approval issued by BSE Limited dated [●];

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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**DECLARATION**

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We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Sd/-**

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**Vidhi Vikram Kamat**  
**Managing Director**

Date: Thursday, September 30, 2021

Place: Mumbai

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**DECLARATION**

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We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Sd/-**

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**Nanette D'sa Ralph**  
**Chairman and Independent Director**

Date: Thursday, September 30, 2021  
Place: Mumbai

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**DECLARATION**

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We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

Sd/-

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**Kurian Pallathuseri Chandy**  
**Independent Director**

Date: Thursday, September 30, 2021  
Place: Mumbai

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**DECLARATION**

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We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Sd/-**

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**Arun Suresh Jain**  
**Independent Director**

Date: Thursday, September 30, 2021  
Place: Mumbai